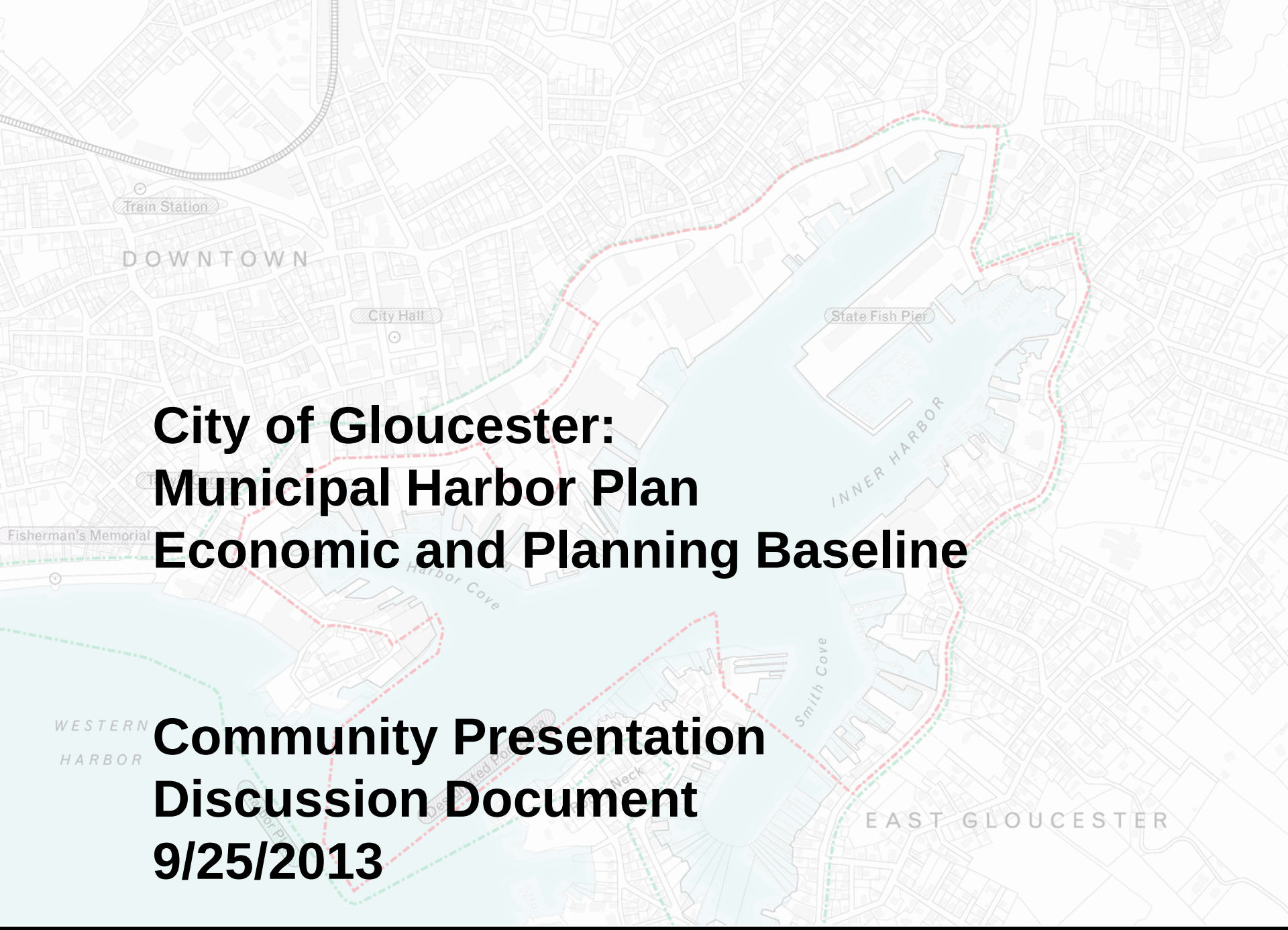


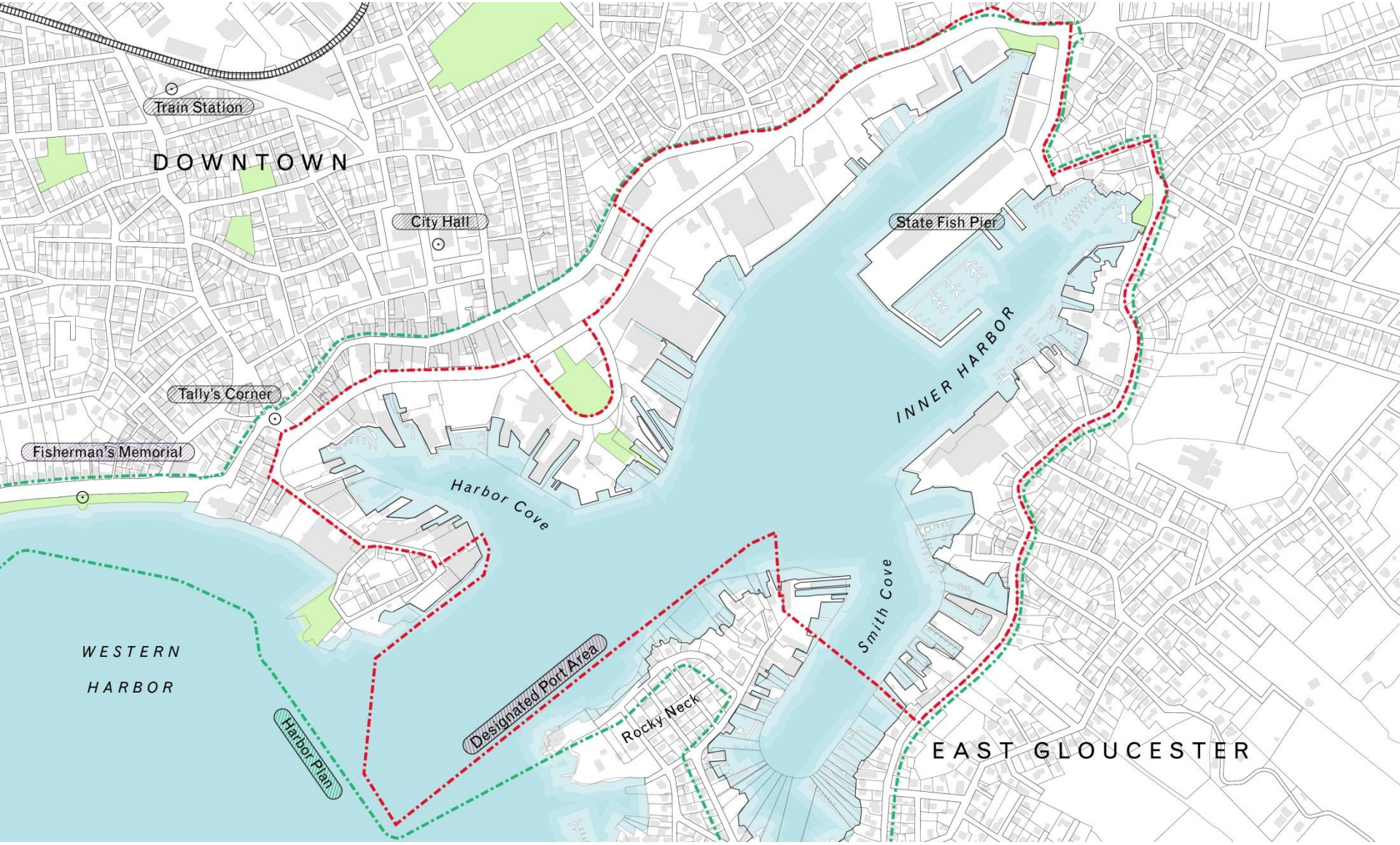
City of Gloucester:
Municipal Harbor Plan
Economic and Planning Baseline

Community Presentation
Discussion Document
9/25/2013

Purpose of Today

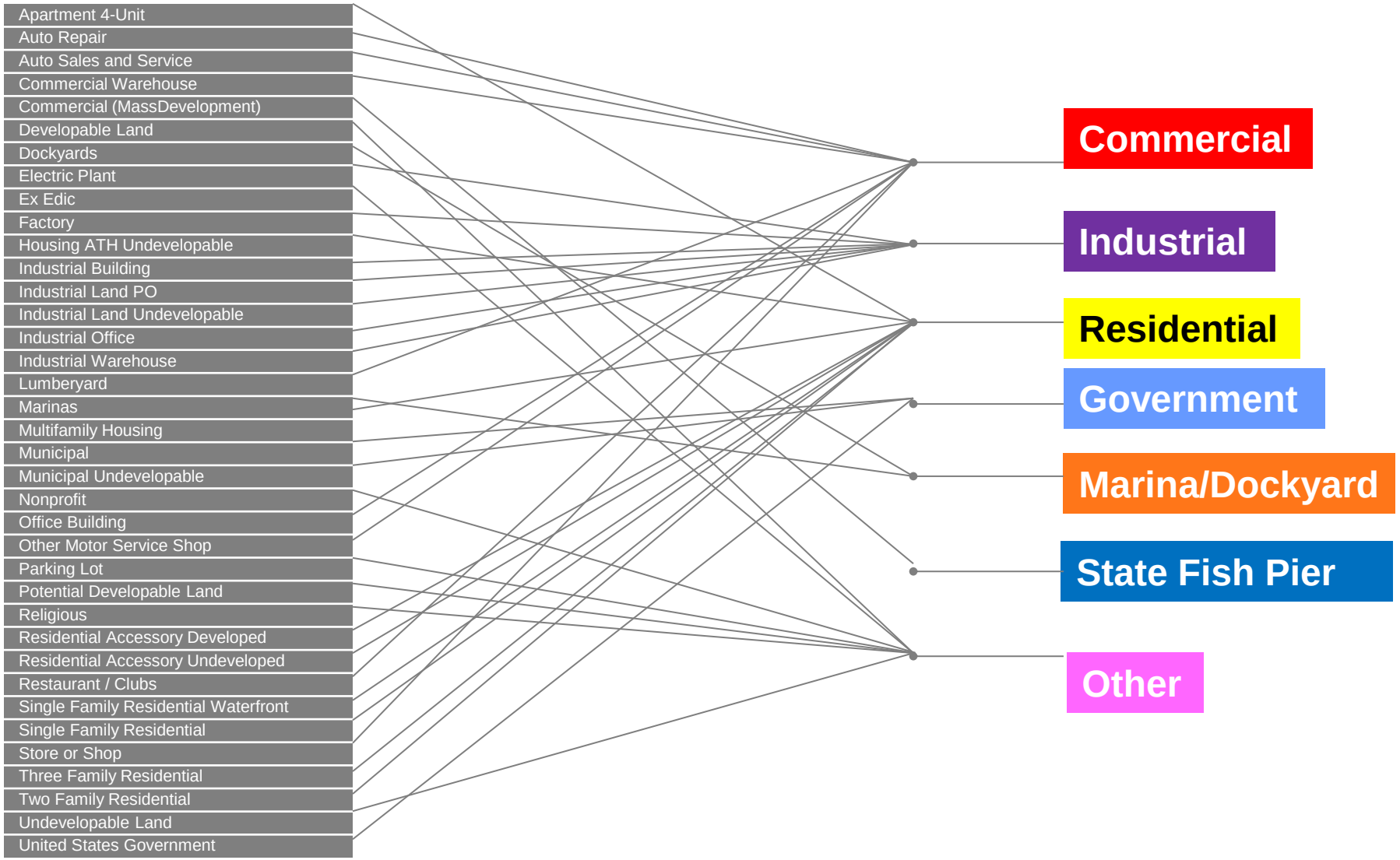
- Provide new information and perspectives on …
  - the study area in some detail, showing the present uses and dimensions of the Harbor
  - key physical planning parameters
  - the size and relative importance of the Maritime-related economy for Gloucester
- Pose some questions for the community to consider
- Listen to your ideas and concerns

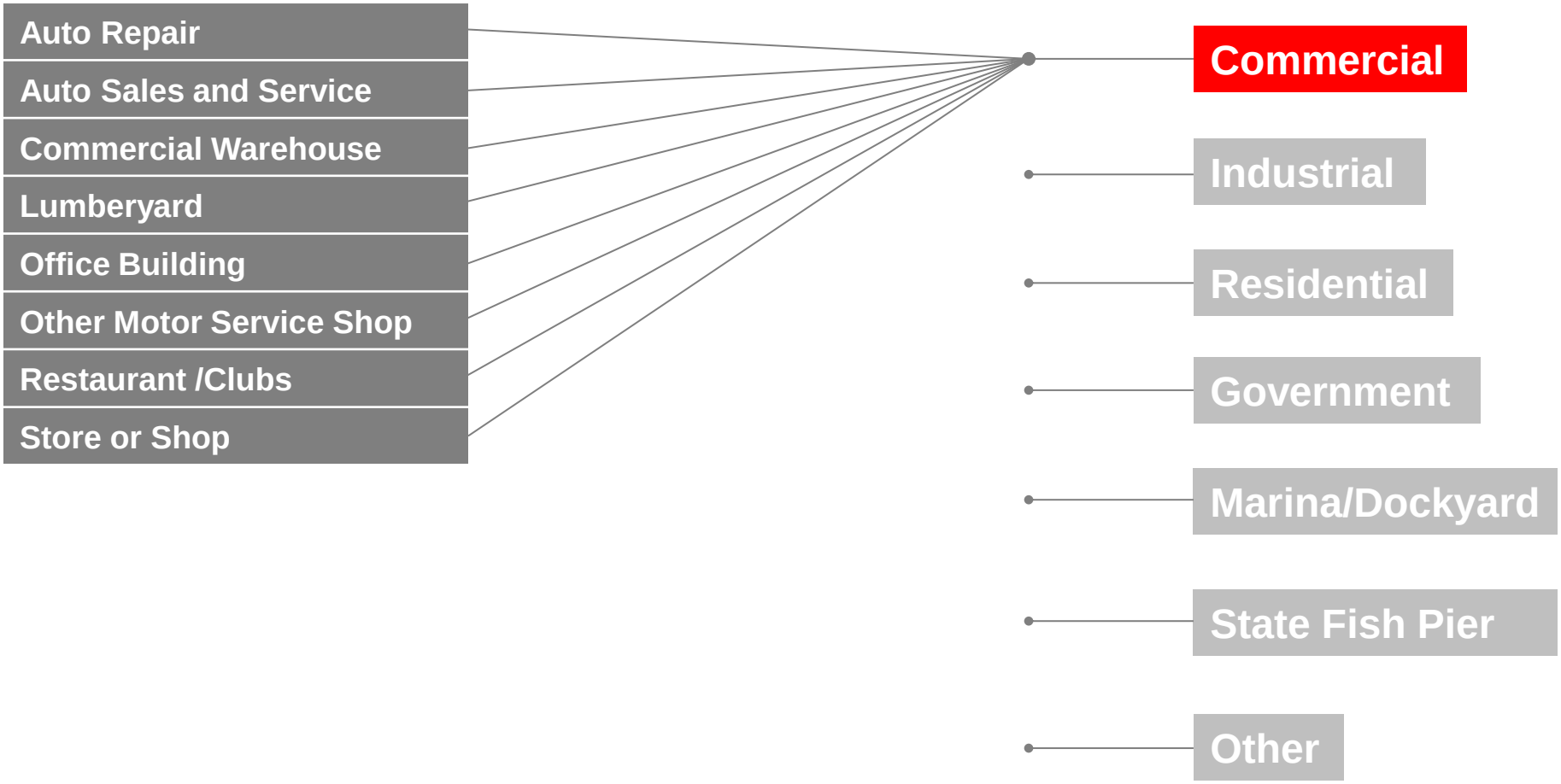
Study Area

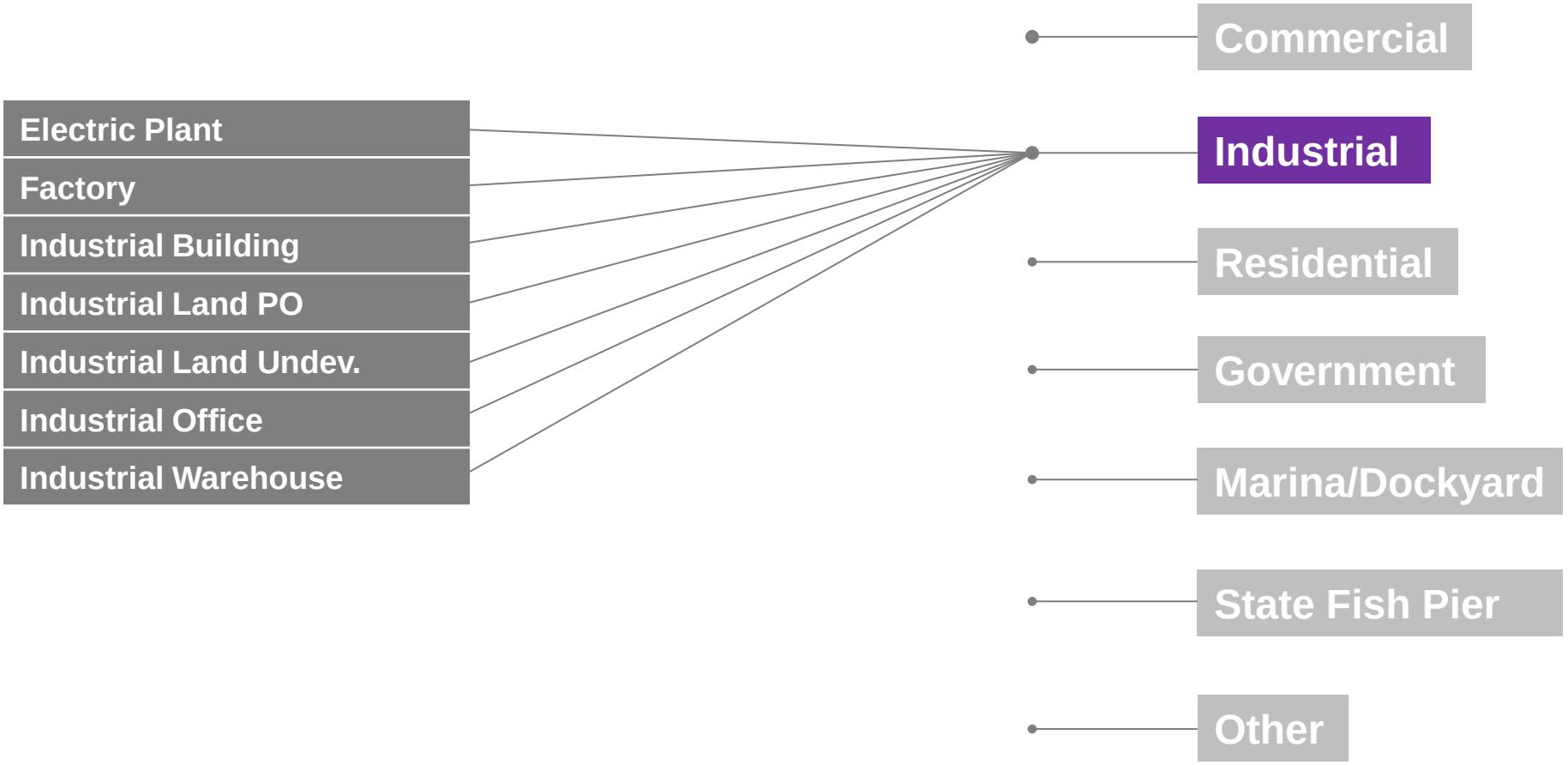

Train Station
DOWNTOWN
City Hall
State Fish Pier
INNER HARBOR
Tally's Corner
Fisherman's Memorial
Harbor Cove
Smith Cove
WESTERN
HARBOR
Designated Port Area
Rocky Neck
Harbor Plan
EAST GLOUCESTER

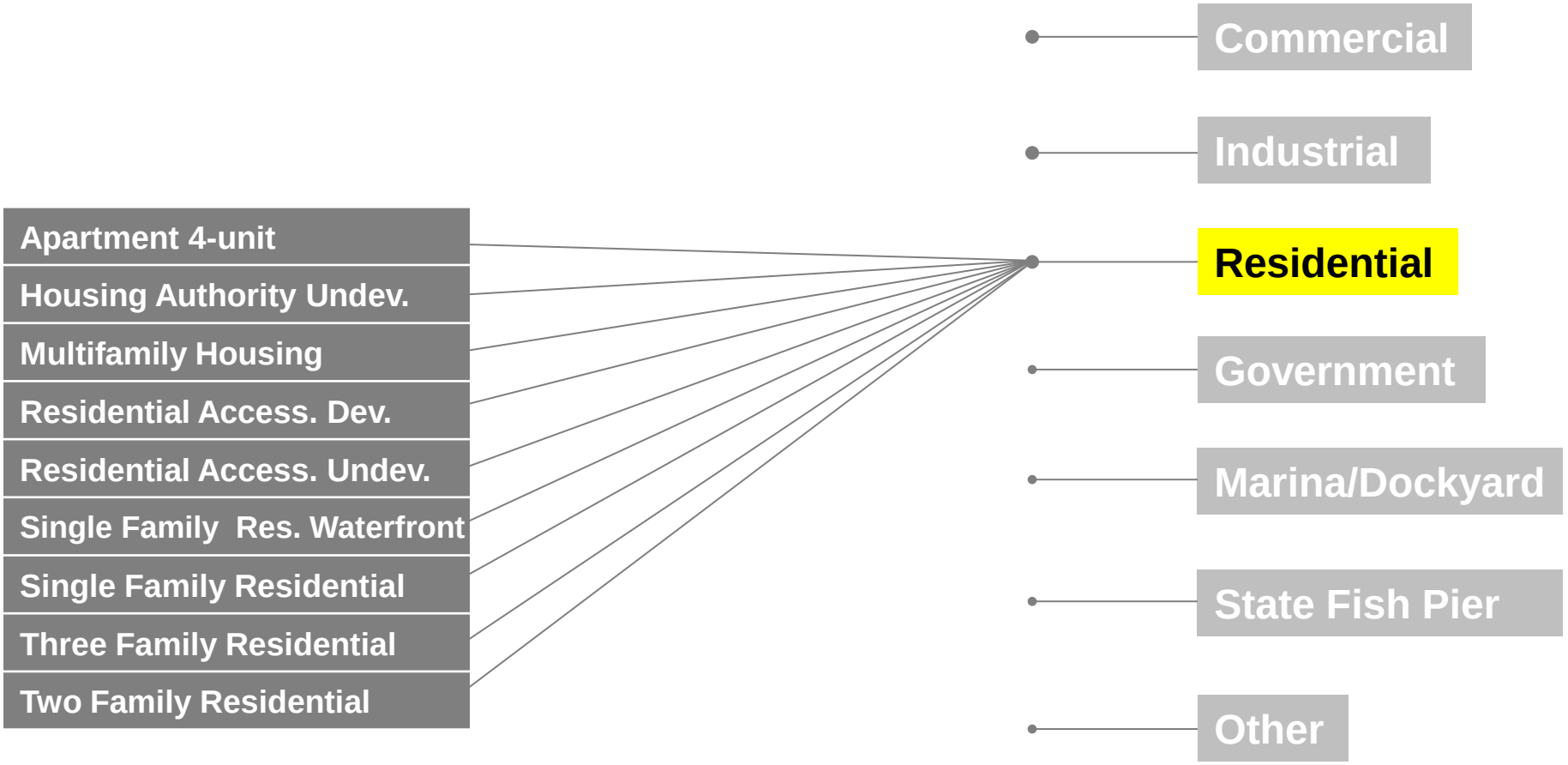
The Harbor and its Uses – A Baseline

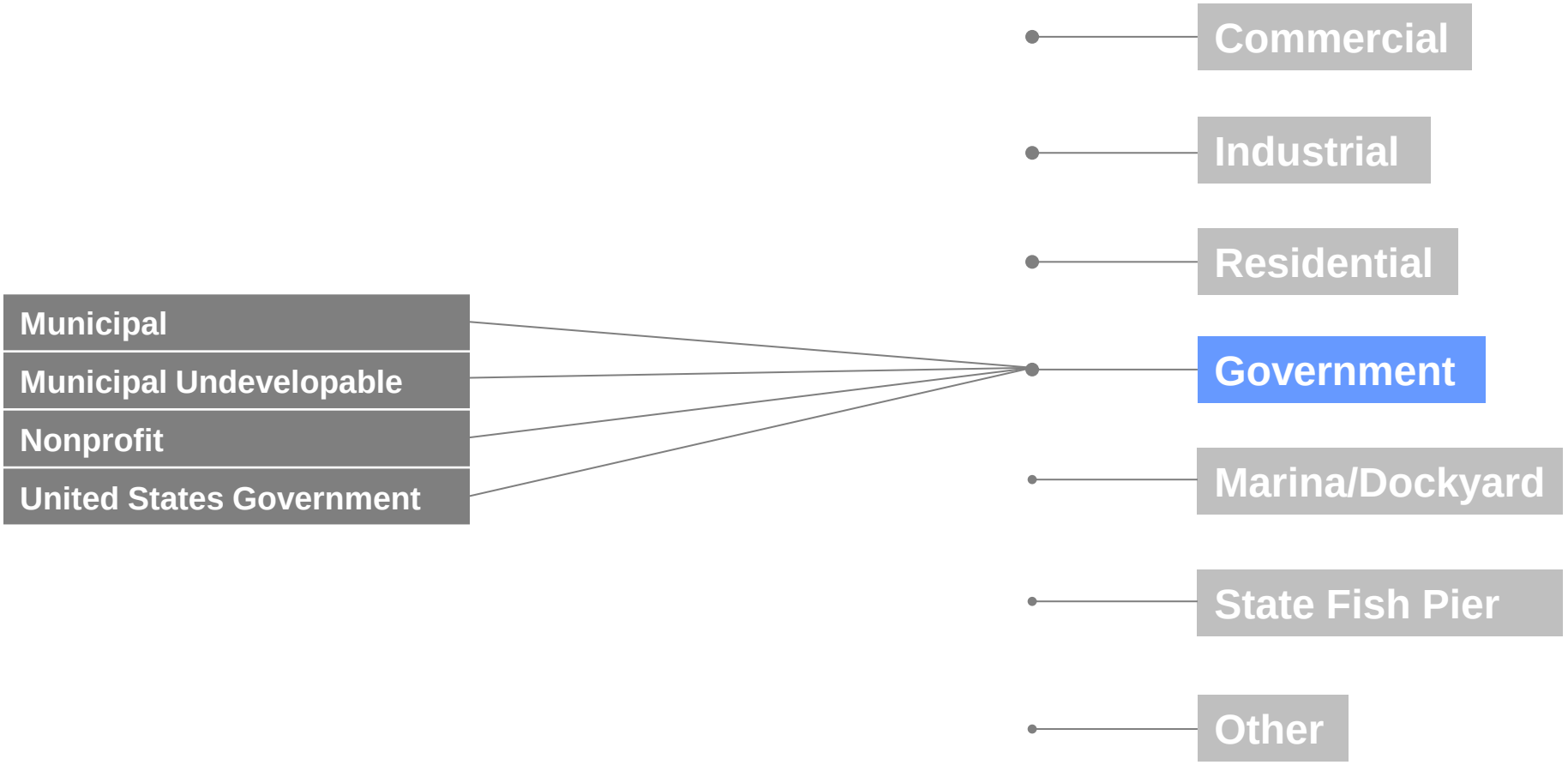
There are a number of land uses in the Harbor.

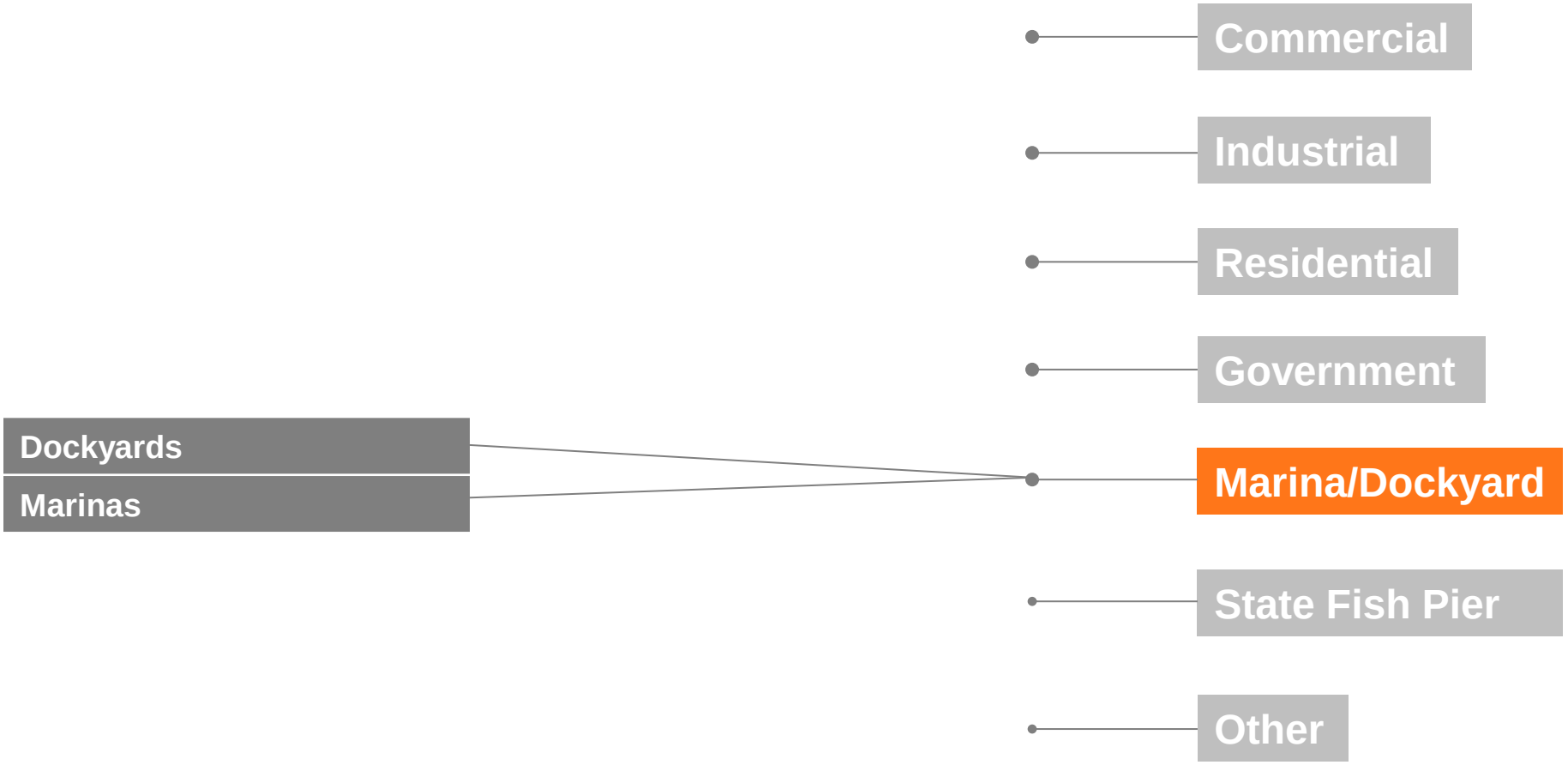


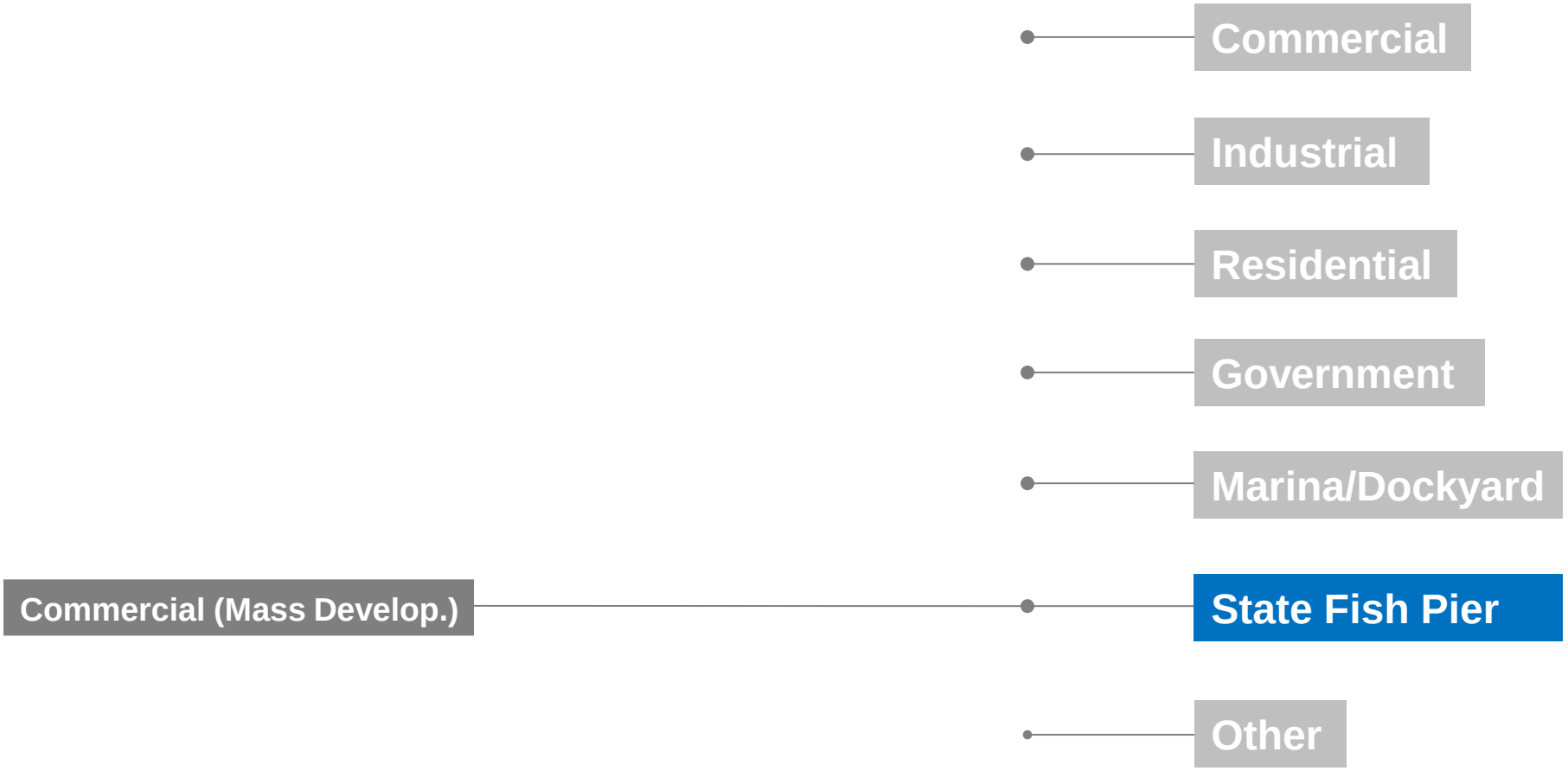

Auto Repair
Auto Sales and Service
Commercial Warehouse
Lumberyard
Office Building
Other Motor Service Shop
Restaurant /Clubs
Store or Shop
Commercial
Industrial
Residential
Government
Marina/Dockyard
State Fish Pier
Other

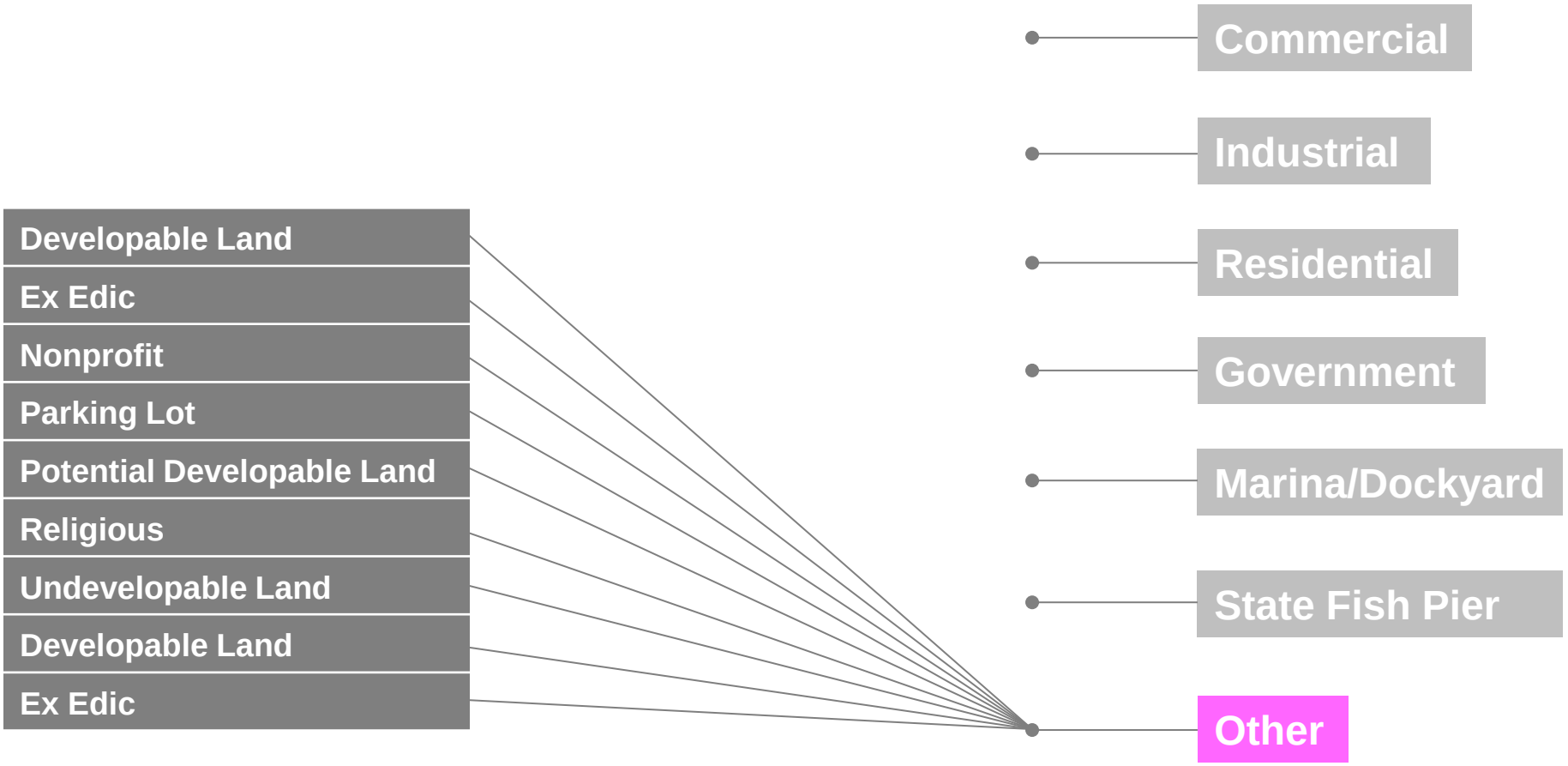

Electric Plant
Factory
Industrial Building
Industrial Land PO
Industrial Land Undev.
Industrial Office
Industrial Warehouse
Commercial
Industrial
Residential
Government
Marina/Dockyard
State Fish Pier
Other


Apartment 4-unit
Housing Authority Undev.
Multifamily Housing
Residential Access. Dev.
Residential Access. Undev.
Single Family Res. Waterfront
Single Family Residential
Three Family Residential
Two Family Residential
Commercial
Industrial
Residential
Government
Marina/Dockyard
State Fish Pier
Other

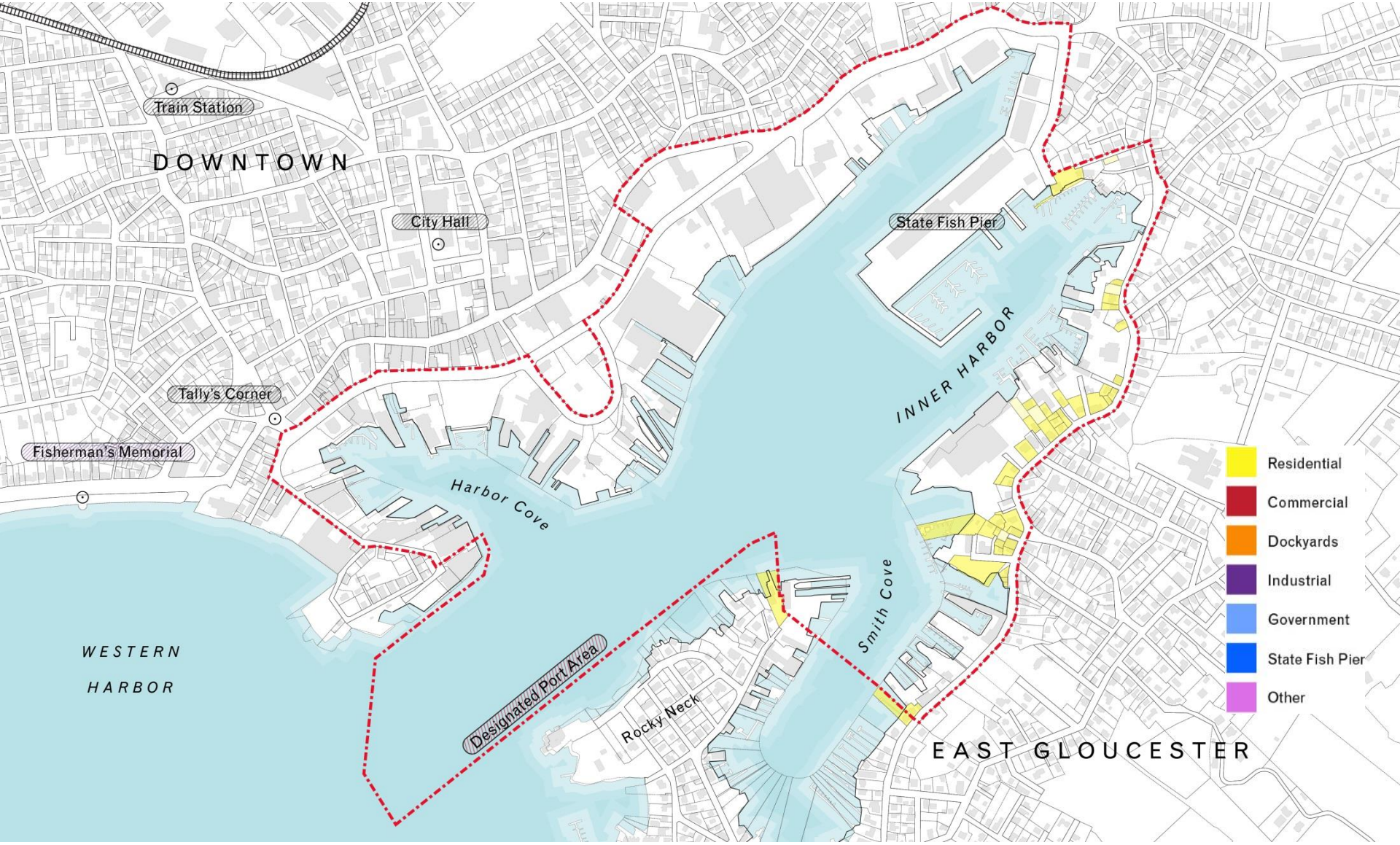

Municipal
Municipal Undevelopable
Nonprofit
United States Government
Commercial
Industrial
Residential
Government
Marina/Dockyard
State Fish Pier
Other


Commercial
Industrial
Residential
Government
Dockyards
Marinas
Marina/Dockyard
State Fish Pier
Other

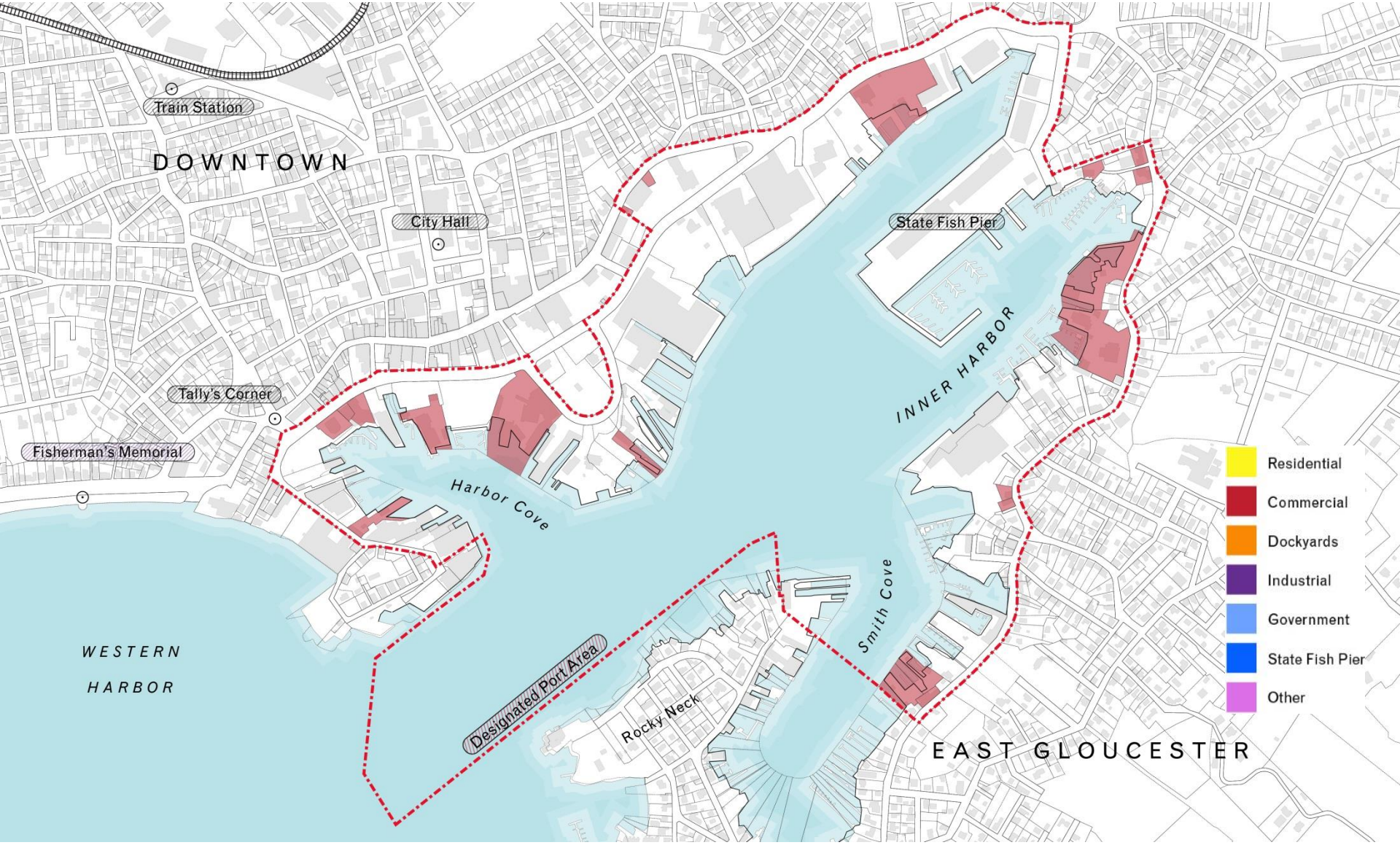

Commercial
Industrial
Residential
Government
Marina/Dockyard
Commercial (Mass Develop.)
State Fish Pier
Other


Developable Land
Ex Edic
Nonprofit
Parking Lot
Potential Developable Land
Religious
Undevelopable Land
Developable Land
Ex Edic
Commercial
Industrial
Residential
Government
Marina/Dockyard
State Fish Pier
Other

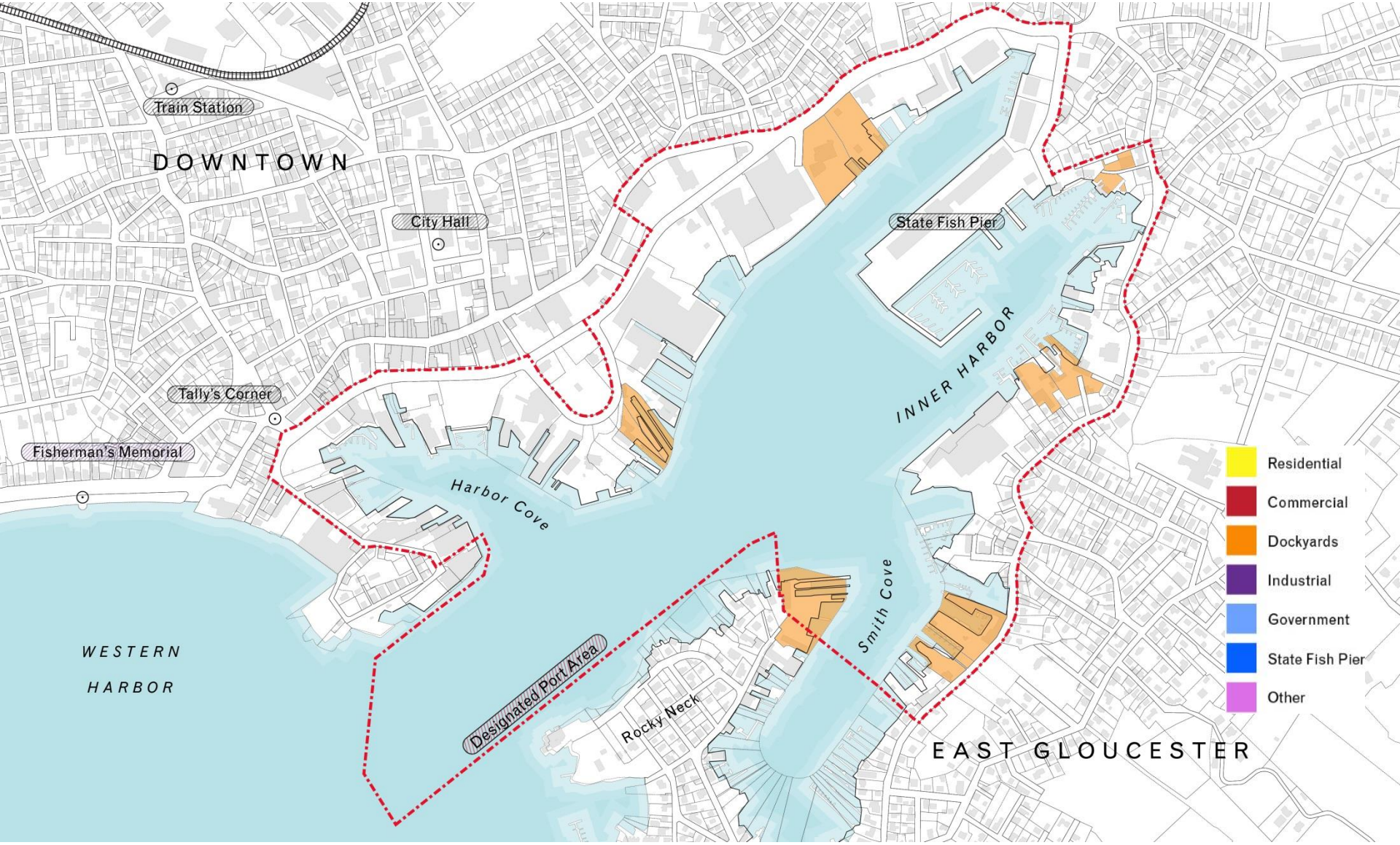
Residential Land Use



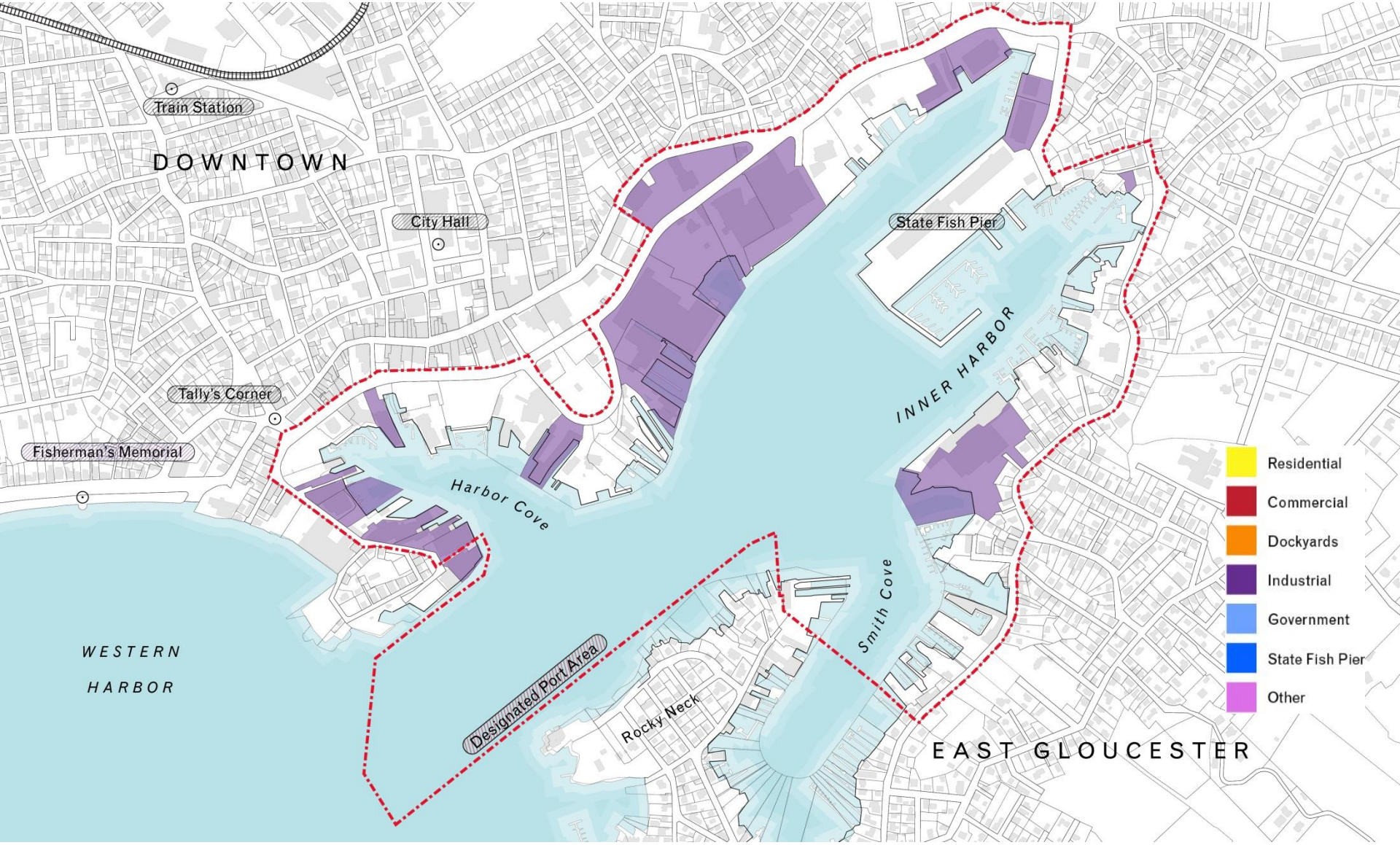
Commercial Land Use



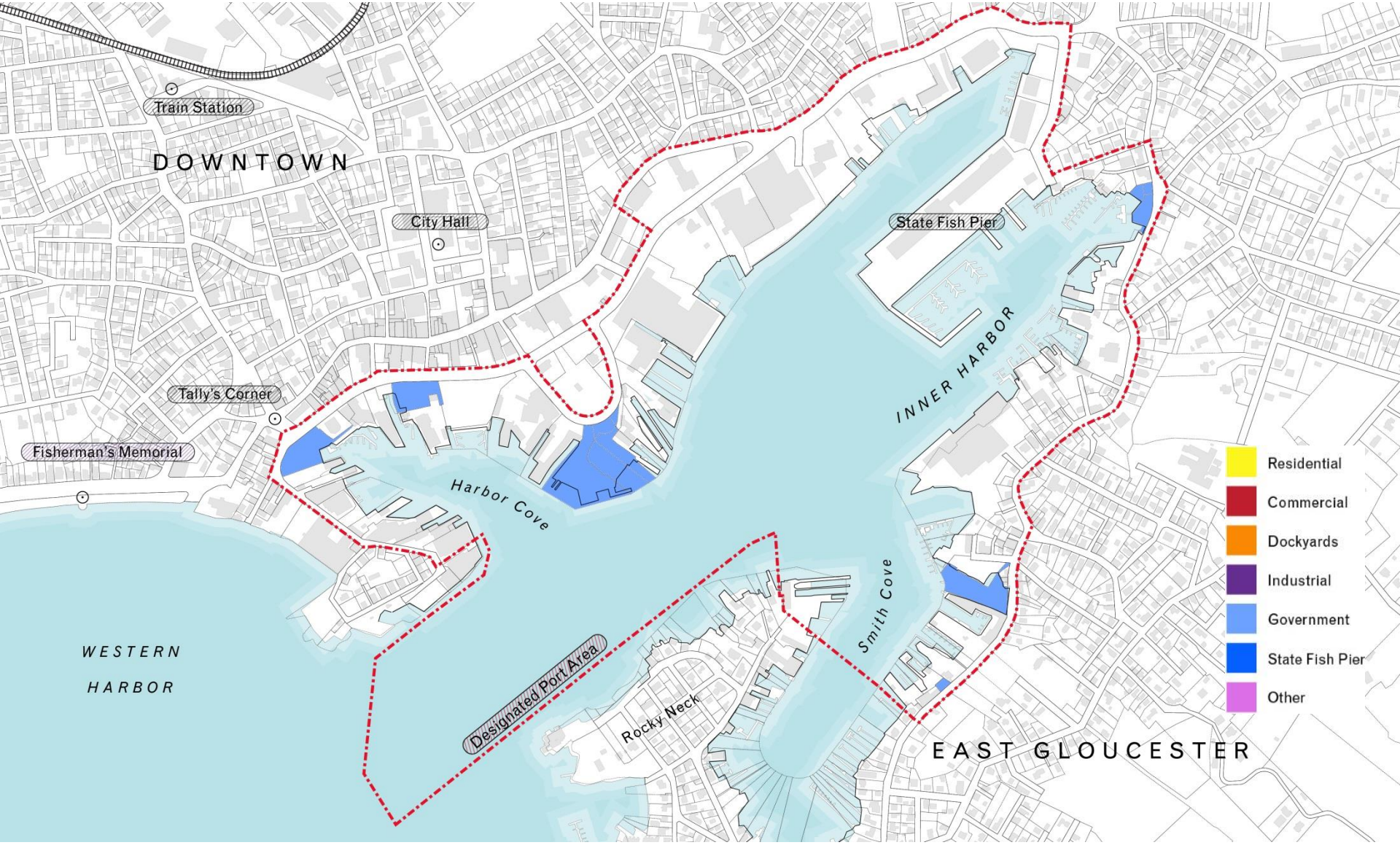
Marina and Dockyard Land Use



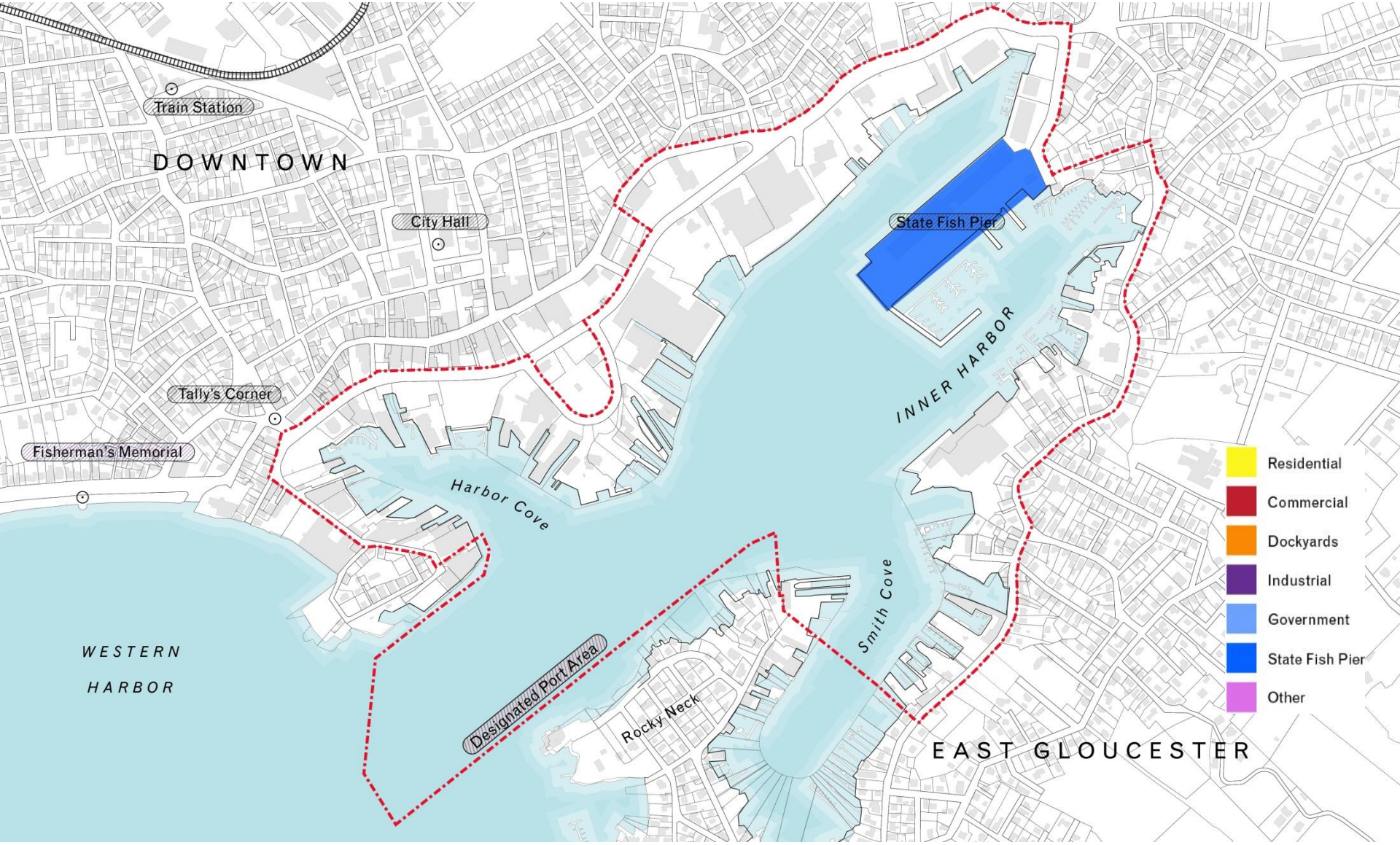
Industrial Land Use



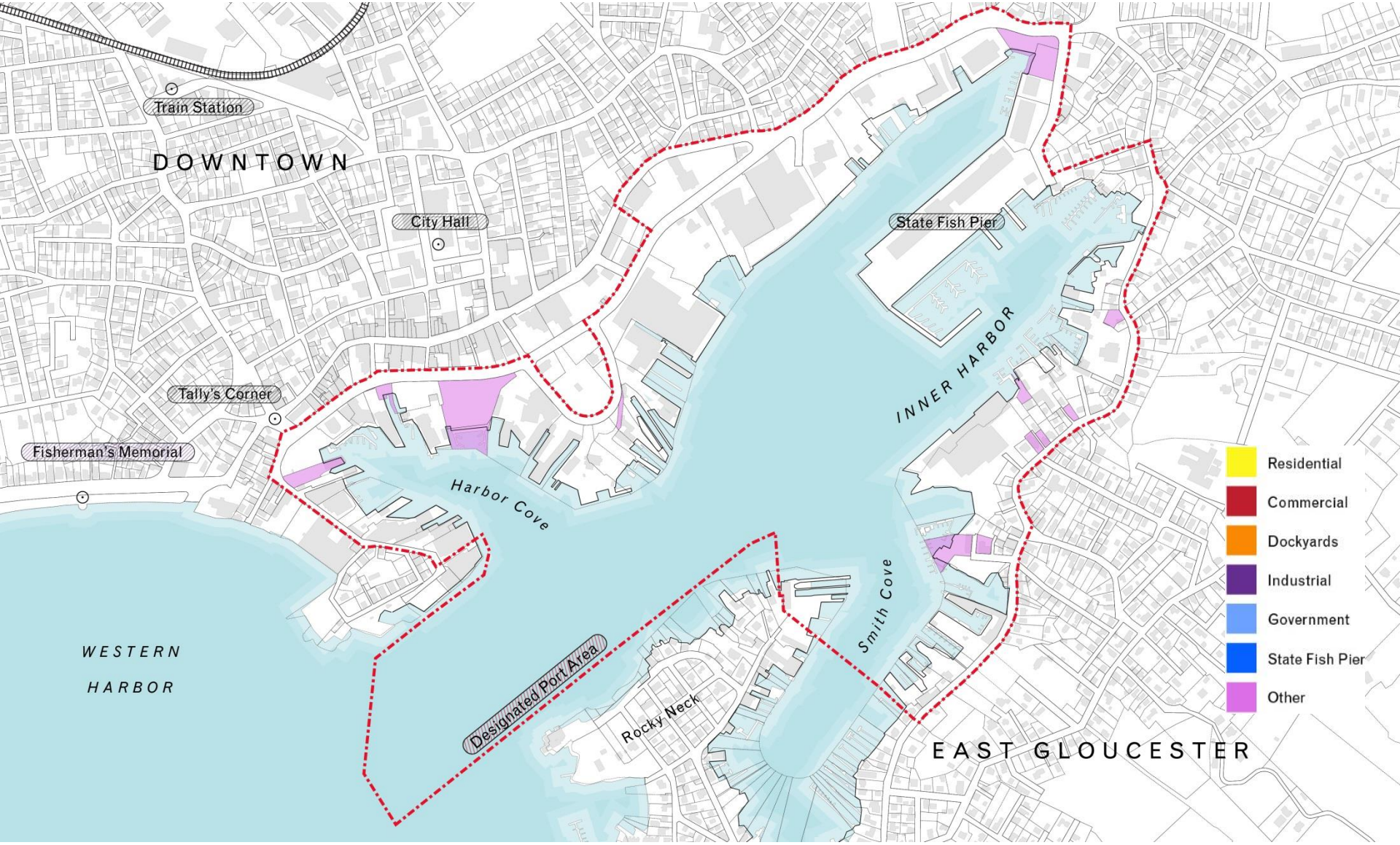
Government Land Use



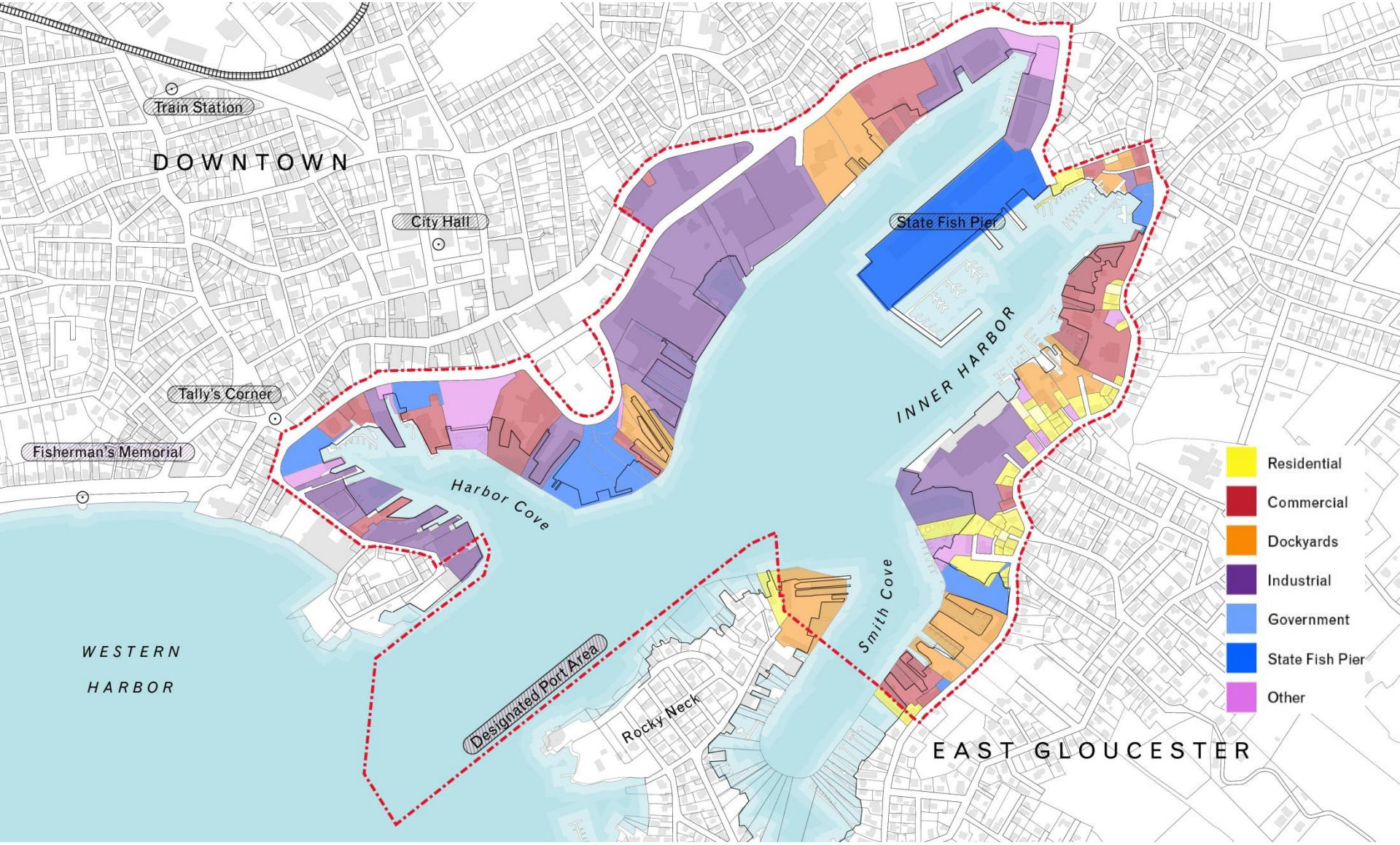
State Fish Pier



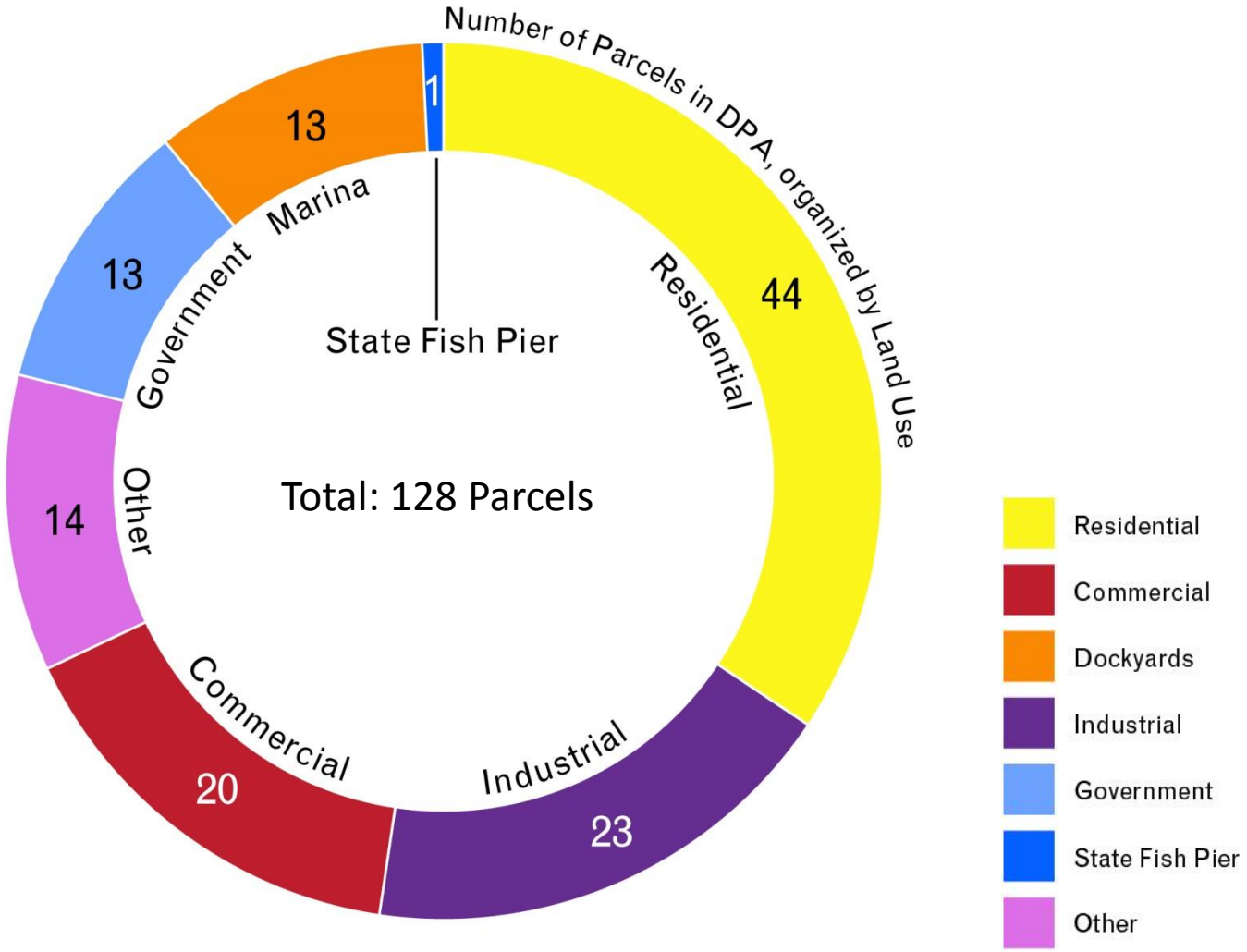
Other Land Use



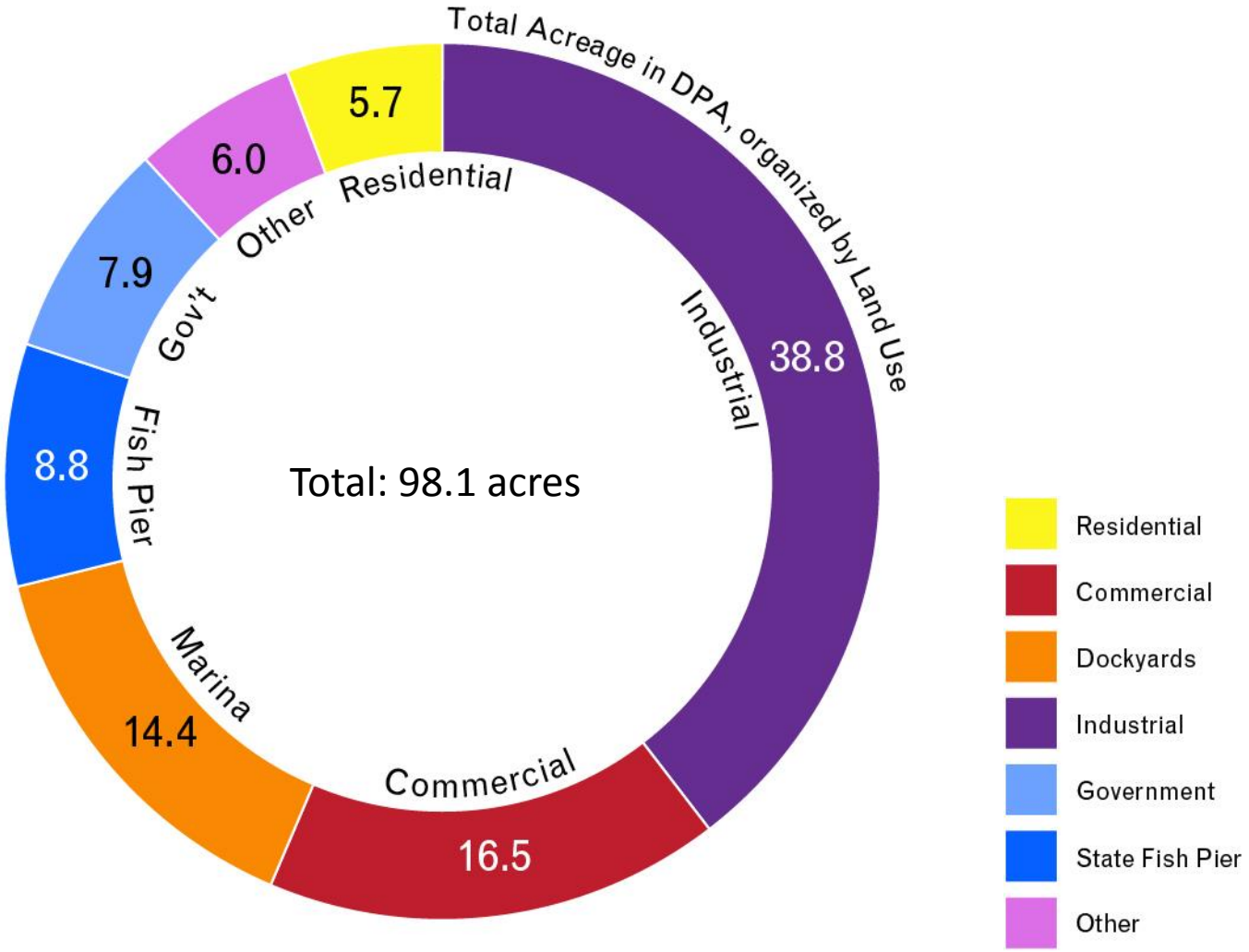
Result: The Harbor as a “quilt,” consisting of a mix of uses with clear concentrations of like uses in different areas.



Residential represents the largest number of parcels.



However, 63% of the Harbor is tied to industrial, marina/dockyard uses and the State Fish Pier.

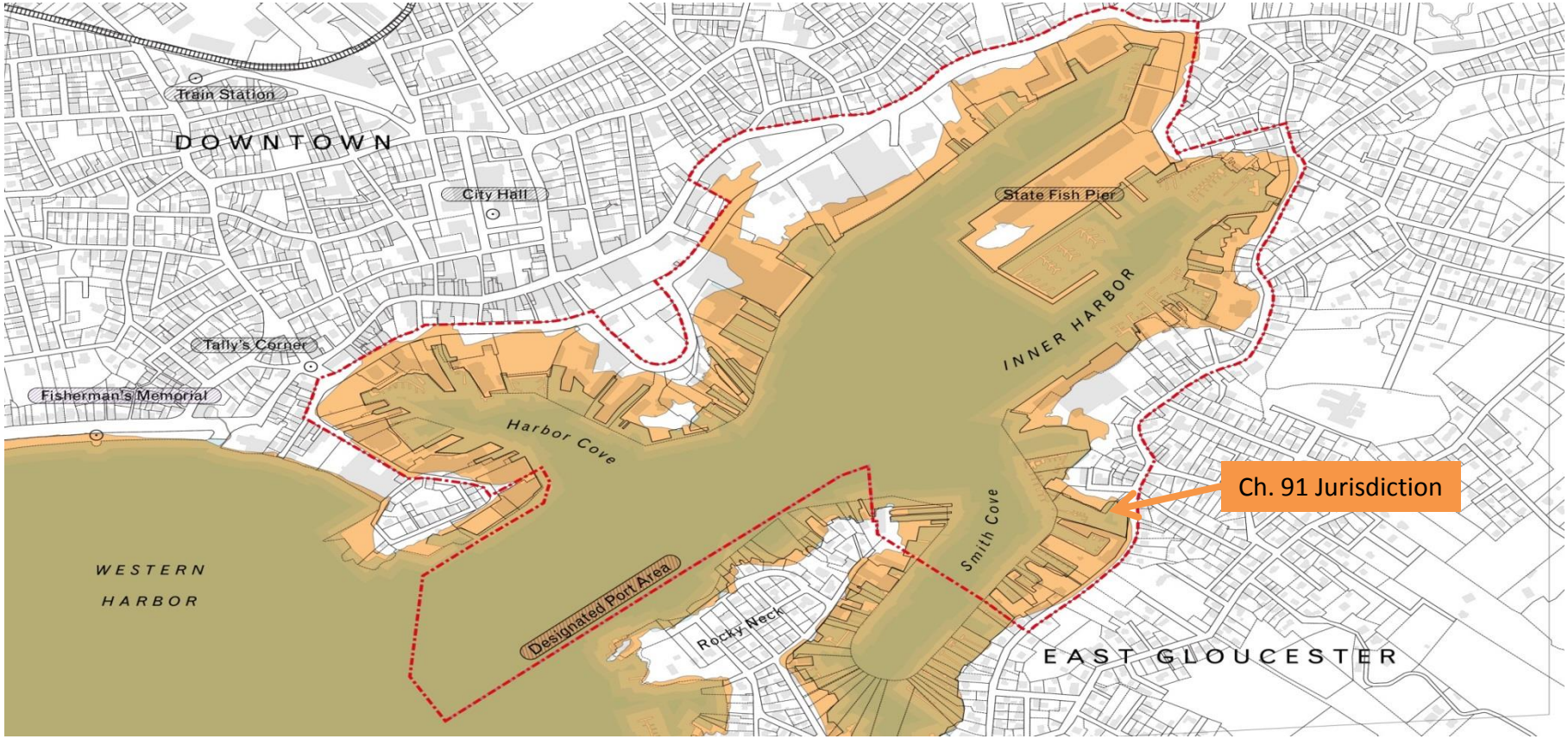


Includes water sheet

Gloucester Harbor Planning Parameters

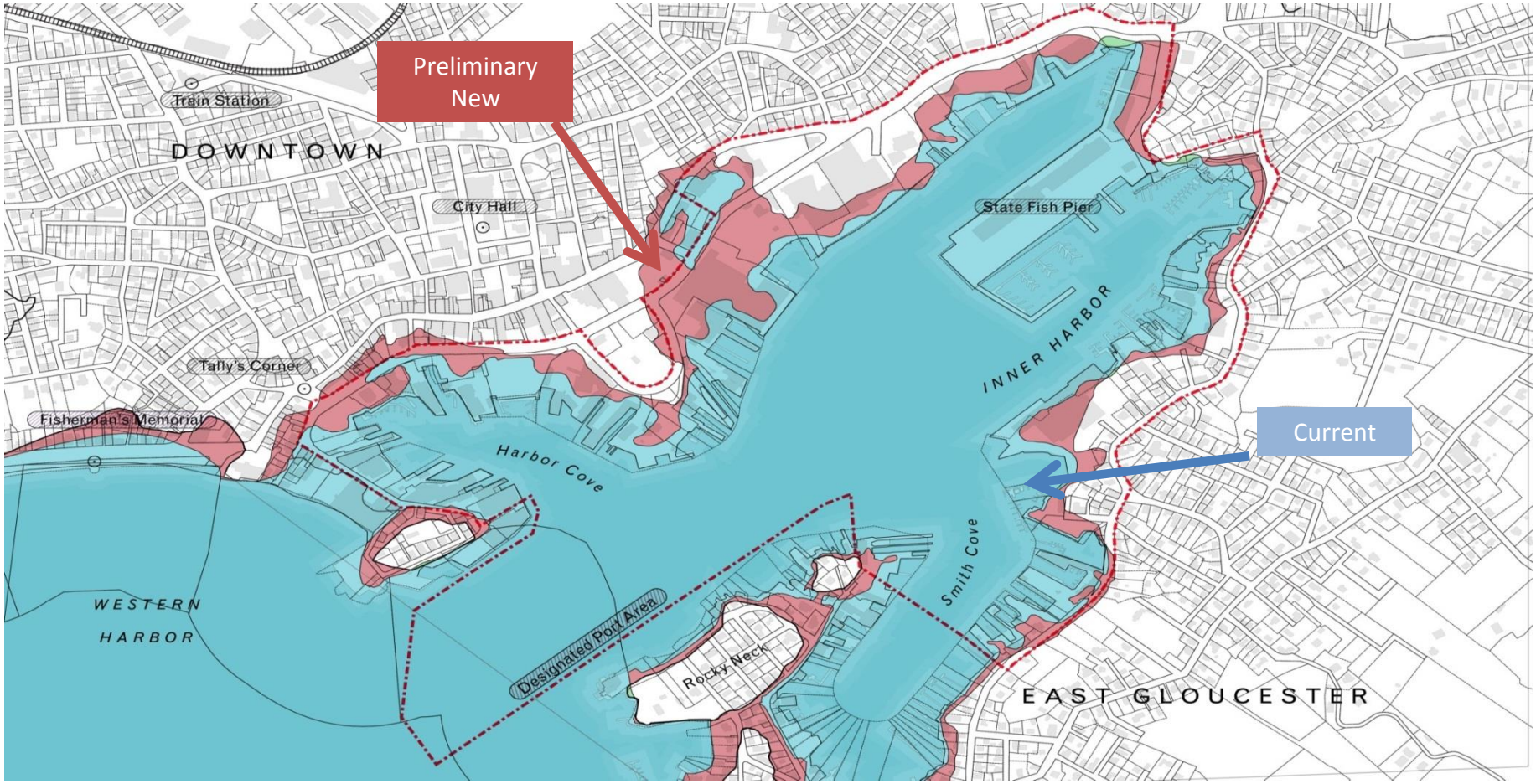
Chapter 91 requirements will set the development parameters for portions of the Harbor whether it is industrial, tourism, residential, or research-oriented.

- Setbacks
- Public access
- Flood & storm surge



Flood zones and storm surge potential will also shape nearly all development strategies in the Harbor.

- Insurability concerns will drive availability of financing
- Insurance costs can also be prohibitive



Approximately 74% of the available non-governmental land area in the DPA sits within the flood & storm surge zone.

Description	Result
Total Parcel Area	81.4
(minus Water sheet)	(16.1)
Land Area	65.2
(minus FEMA map land)	(48.2)
Remaining land	17.1

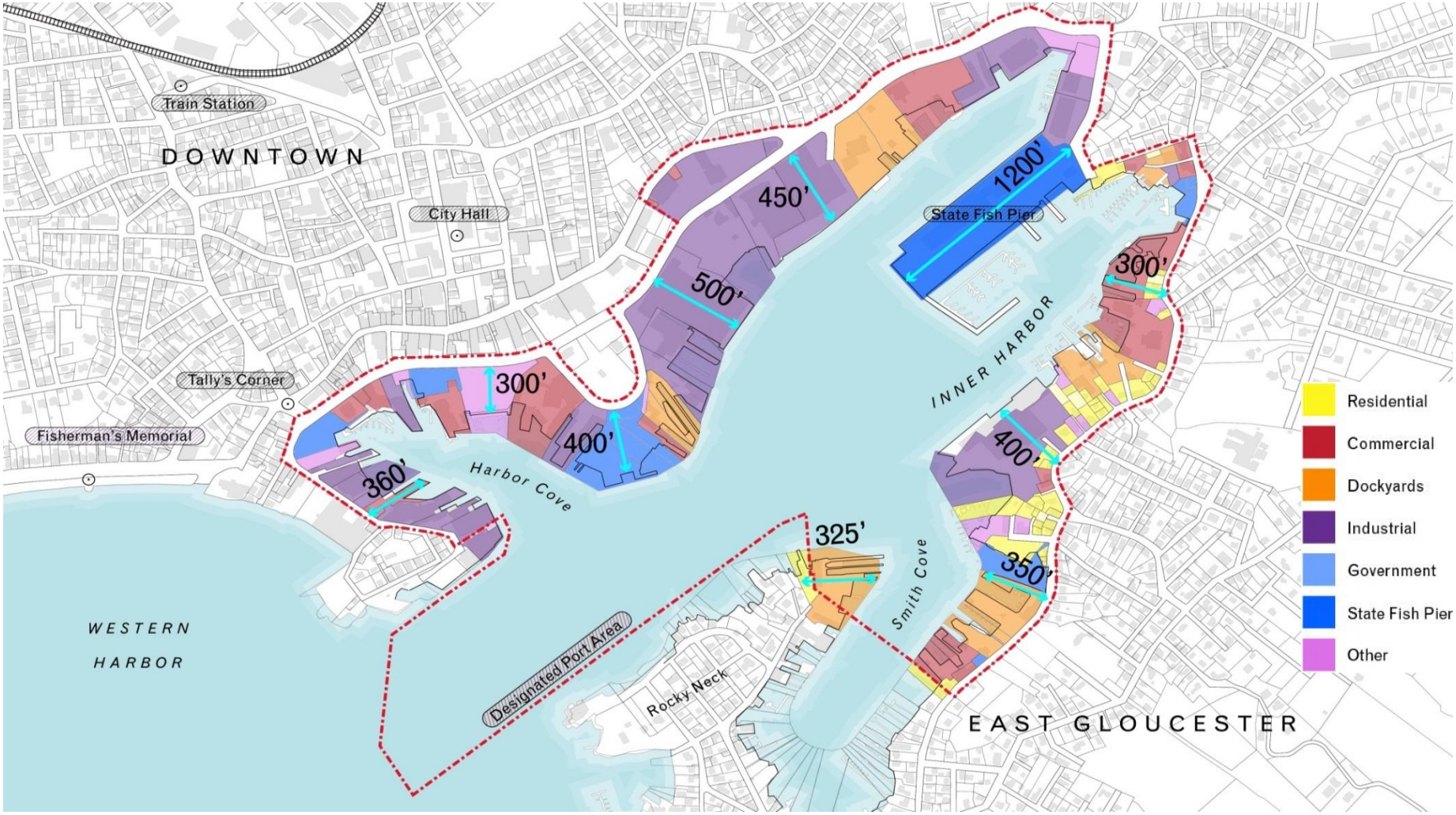
Non government/non State Fish Pier

Remaining

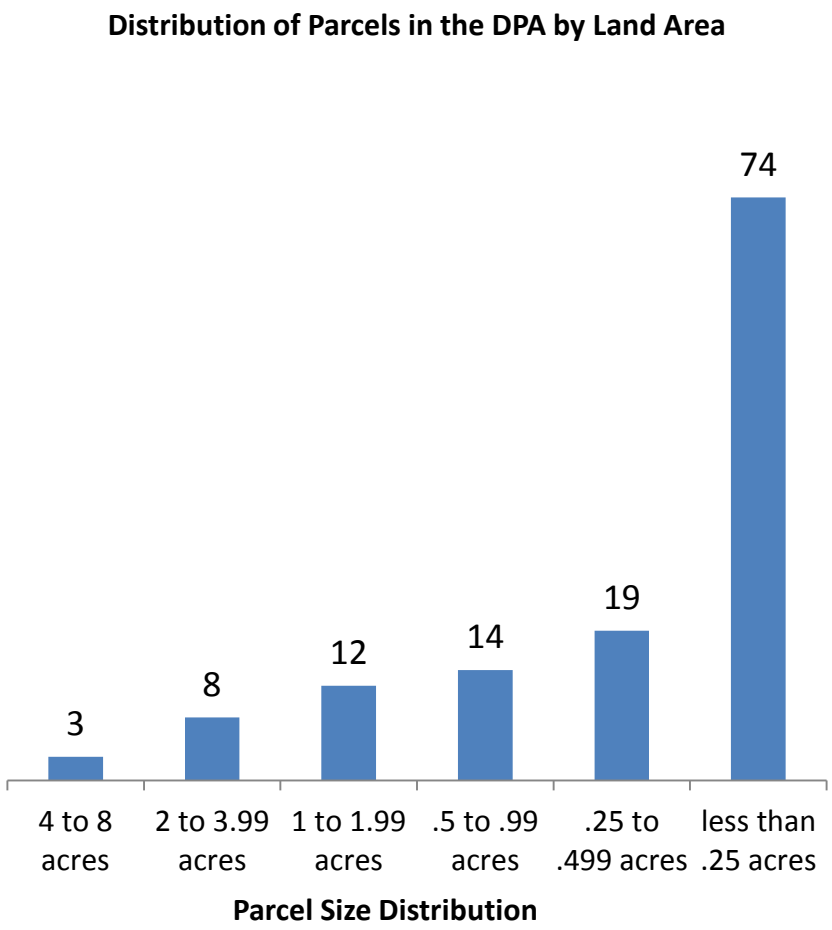
- Industrial: 7.7 acres
- Commercial: 2.0 acres
- Dockyard/Marina: 2.5 acres
- Residential: 3.7 acres
- Other: 1.2 acres

Mitigating storm surge will define development design and street level activity.

Parcel depth – critical for considering impact of setback and public access requirements – varies widely across the Harbor.



Most of the parcels in the Harbor are less than a ½ acre in size.

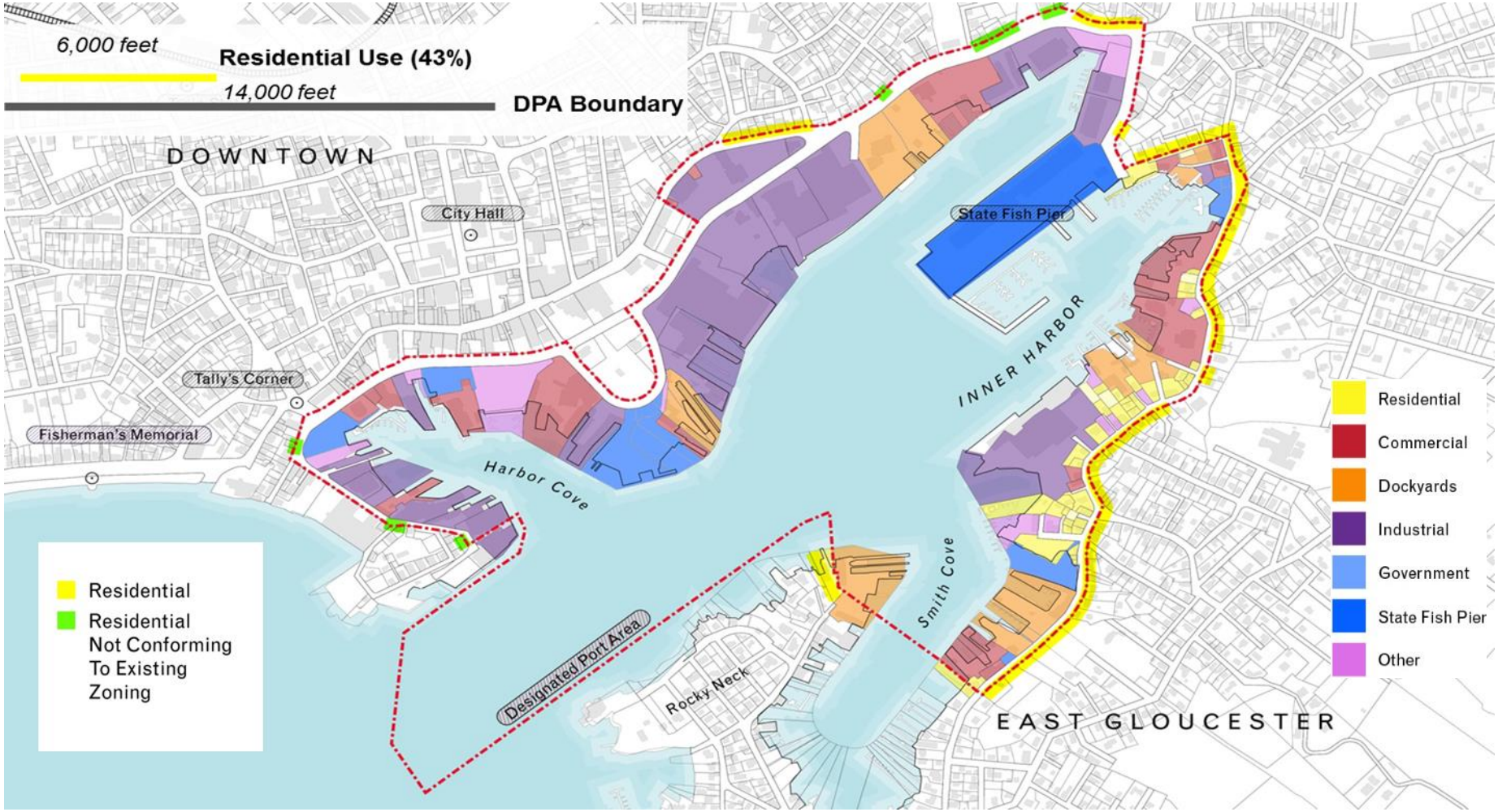


- Average parcel size in the Harbor is .61 acres
- By comparison:
  - Average parcel size in Gloucester is 1.5 acres
  - Average parcel size for the BP (business park) zone is 5.8 acres
  - Average parcel size for GI (general industry zone) is 3.5 acres
  - Average parcel size for MI (marine industrial) is .67 acres

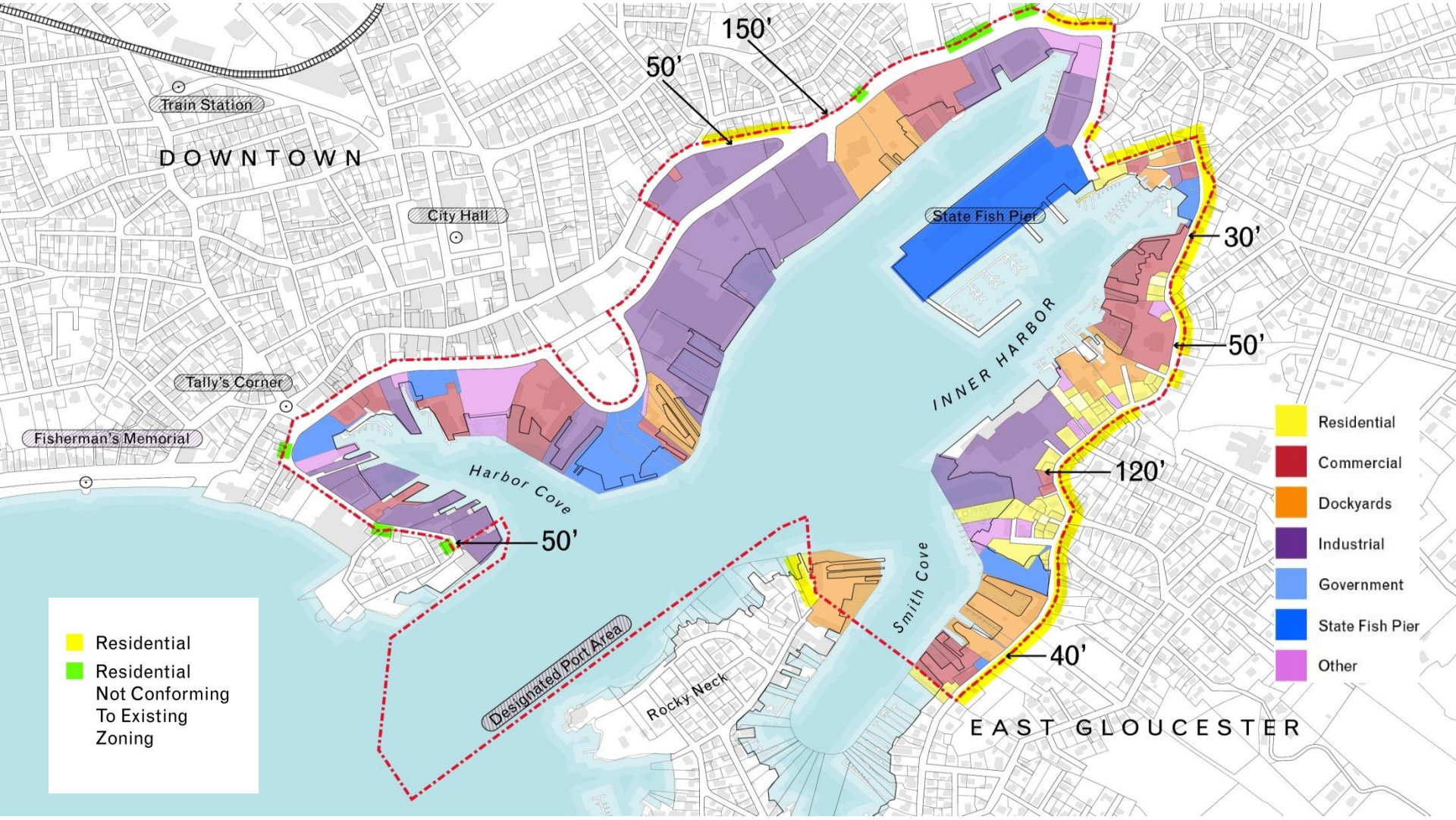
Includes government and state fish pier

Planning in the DPA also needs to consider abutting uses not just uses within the DPA.

- For example, 43% of the DPA abuts <u>existing</u> residential uses



Relatively short distances separate the DPA from existing residential uses, limiting buffering potential.



Additional observations

- The harbor is layered, surrounded by a classic harbor/hill relationship that creates value to other areas of the city

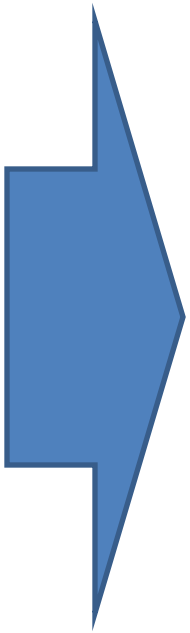
- An important perspective is to segment the harbor into land-side, water-side, and water-sheet components

Gloucester & The Harbor Economy Economic Baseline

Determining the economic baseline

How we generated a list

- Interviews
- On-site research
- Web/product searching
- Form 990
- Business Directories
- Prior reports



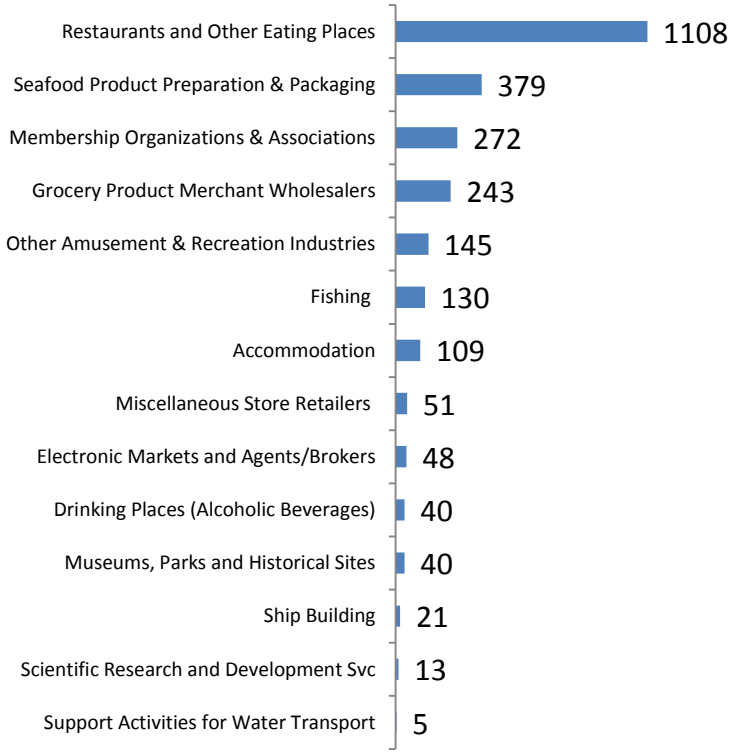
Matched to government NAICS Codes

- Fishing
- Shipbuilding Repair
- Seafood Processing
- Grocery Product Wholesaling
- Electronics Markets/Brokers
- Support Activities for Water Transport
- Accommodations
- Museums, Parks & Historical Sites
- Drinking Places
- Restaurants
- Membership Organization
- Scientific Research Organization
- Miscellaneous Store Retail
- Other Amusement Recreation Industries

Defining the Gloucester marine economy – what the federal employment data says

- Note: this excludes government employment data

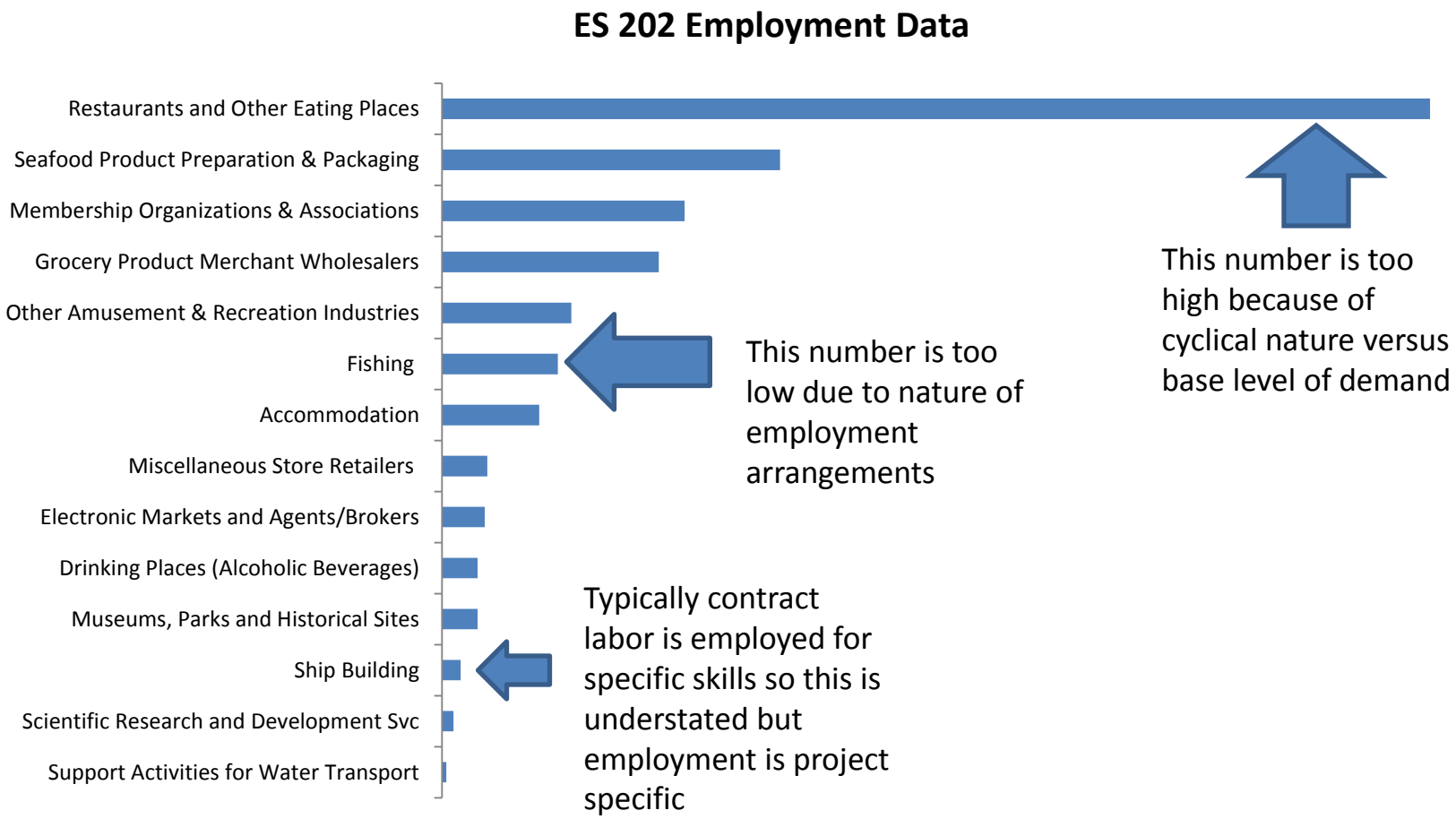
2602 Average Monthly Private Employment
ES 202 job numbers



$104 million
ES 202 Wages

Source: NP analysis of NAICS ES 202 MASS LMI data

But it is inaccurate – workforce example



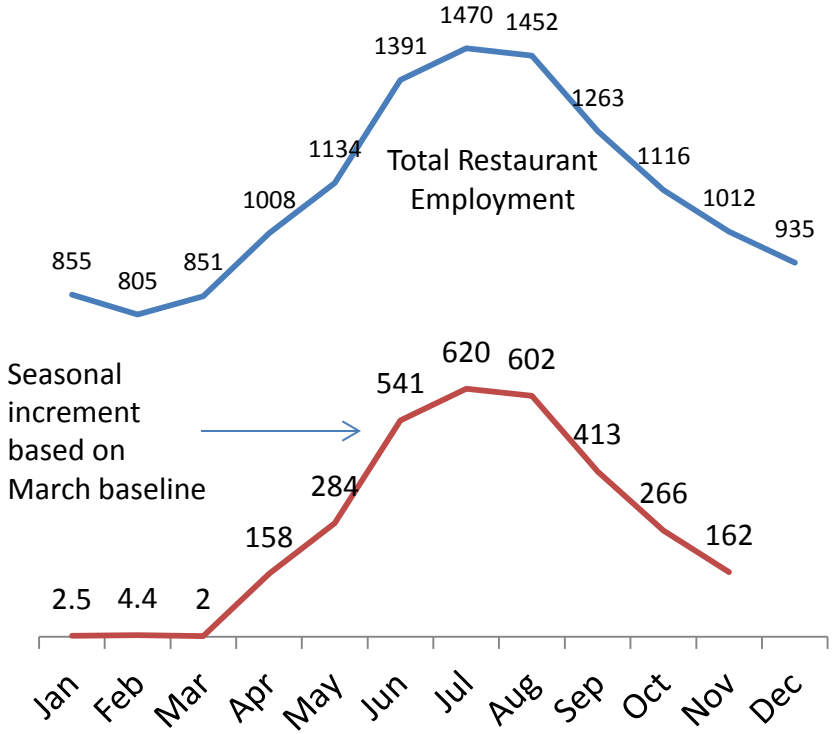
Rebasing restaurant employment to account for cyclical nature of tourism

- The highly seasonal nature of Gloucester's tourism provides an ability to evaluate the role of tourism by providing an estimate of a baseline level of community expenditure
- Tourism was examined using meals tax receipts, discussions with lodging operators, data provided by some lodging operators on stays and room nights

Important to remember

- It's an estimate – not an actual number – think order of magnitude, not decimal point accuracy

For communities like Gloucester restaurant employment is a good indicator of seasonal impact



Accounting for the employment arrangements in the fishing industry

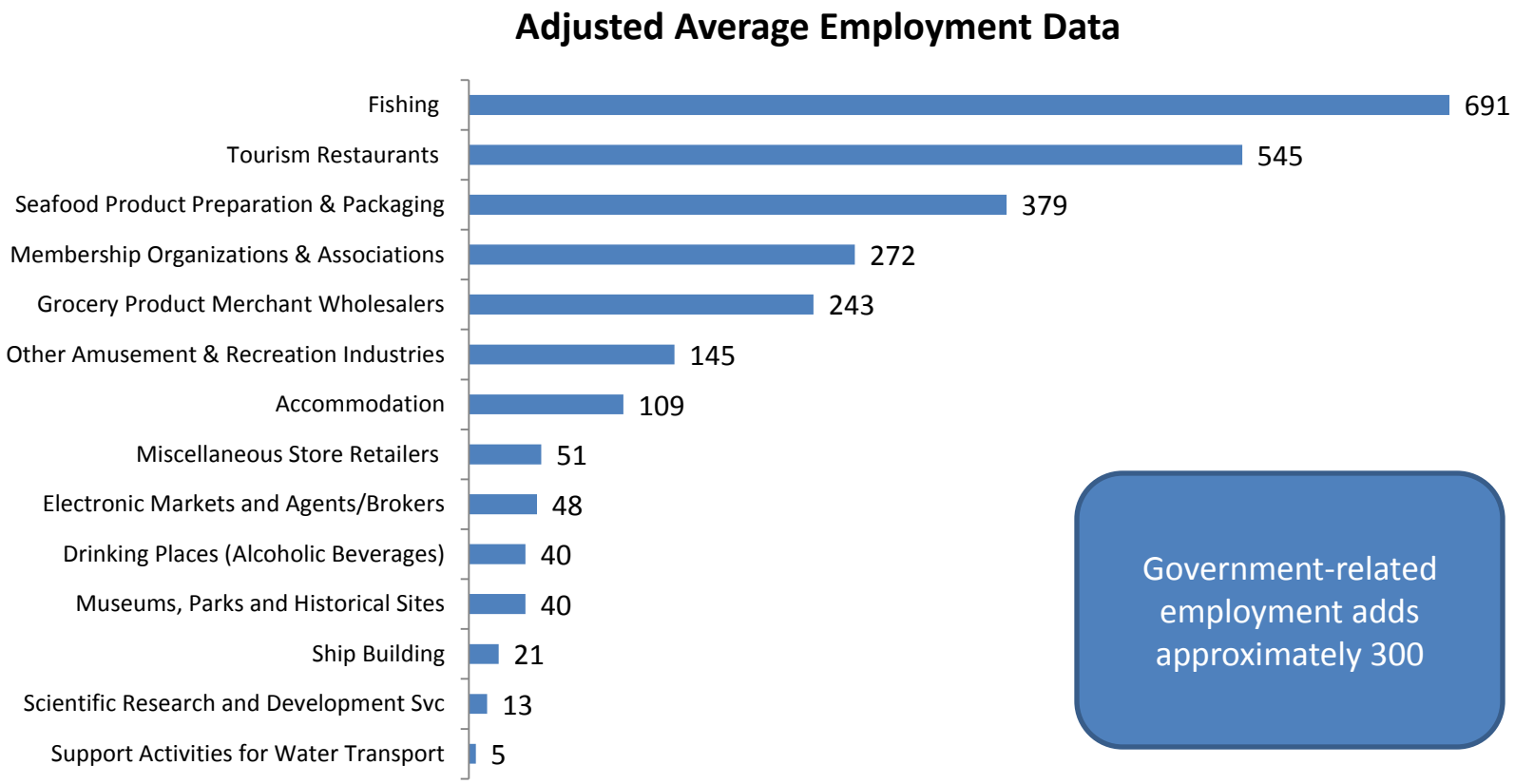
- 741 vessels have a tie to Gloucester
- At least 384 vessels have active permits
- 279 boats actively berth within Gloucester harbor
- 279 is the basis for the calculation

Calculating the baseline

- 130 from ES 202 data
- Prior work in field including survey of commercial boat captains created an average of 2.6 per vessel
- Therefore based on 279 boats, an estimated 595 people are not counted in the employment counts
  - Therefore total fishing vessel is approximately 725
- Seasonality peak represents approximately 25% difference bringing average monthly total to 691

Source: Ports Compact Study

Gloucester's private maritime-related economic employment is approximately 2600 people

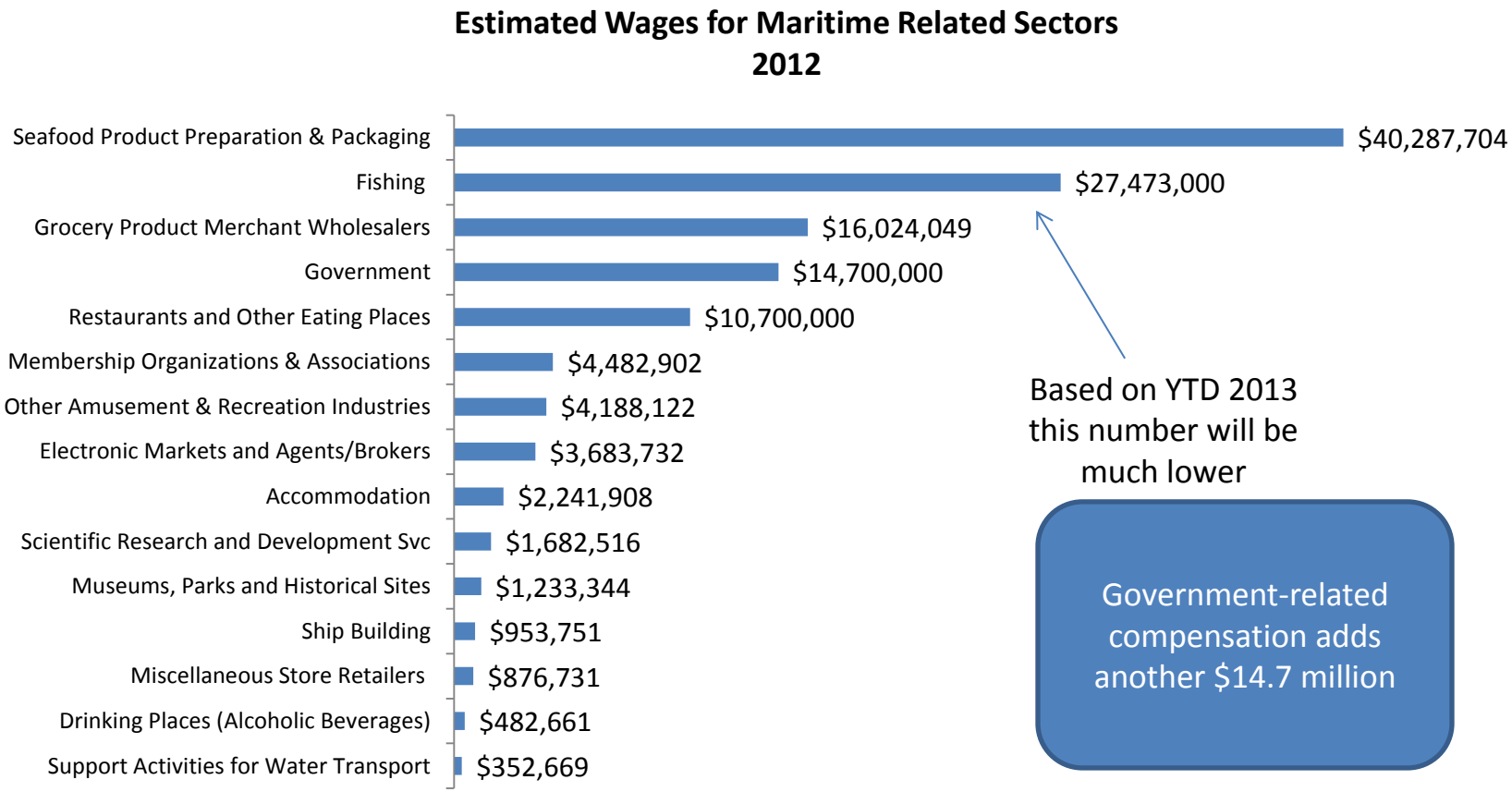


Government-related employment adds approximately 300

Source: NP calculations

Estimated private wages total approximately $115 million

- Includes fishermen adjusted compensation



How we adjusted wages for restaurants and the fishing industry

Fishermen compensation

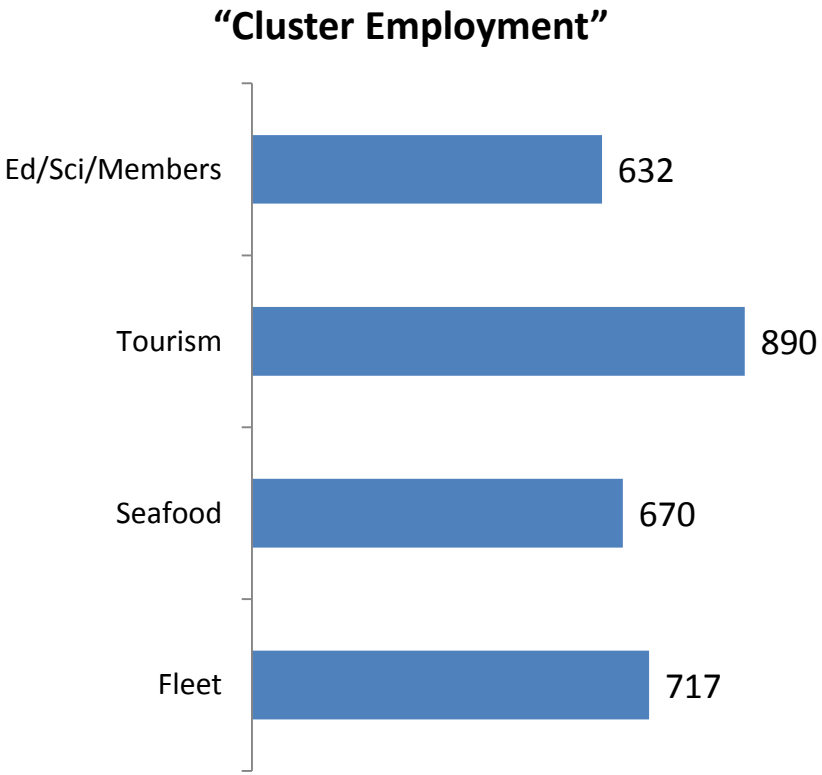
- It's a conservative estimate given the uncertainty involved in calculating a number
- We talked to a settlement agent who provided a snapshot month of 2012 and 2013 total payout data
- This monthly average (~$2700 per fisherman) was then applied to the estimated number of fishermen assuming the equivalent of a 10 month year
- We examined other reports to determine relative compensation costs compared to landings to make sure orders of magnitude were correct
- We then added back the salaried wages reported on the ES 202 data noted earlier to create a total

Restaurant compensation

- We took the annual average of ~$19,600 and multiplied it by the 545 workers over baseline employment in March

Taking industry NAICS data and organizing them into "clusters" the numbers are fairly evenly distributed

- Adding government-related employment increases maritime employment to 2909

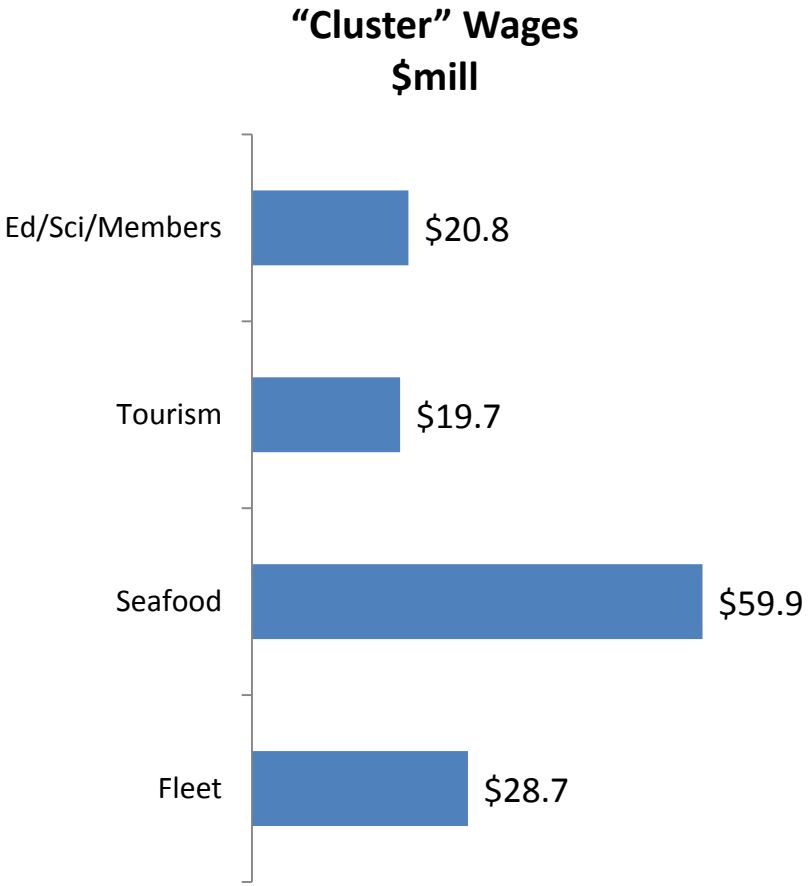


Definitions

- Ed/Sci/Members = educational and research institutions, membership organizations, government agencies
- Tourism = Museums, restaurants, recreational & amusements, specialty retail
- Seafood = processing, wholesale, electronic markets, trading
- Fleet = fishermen and boat support services (yards, ice, etc)

Source: NP calculations

While employment is somewhat evenly distributed across the "clusters," wages are not



Source: NP calculations

Definitions

- Ed/Sci/Members = educational and research institutions, membership organizations, government agencies
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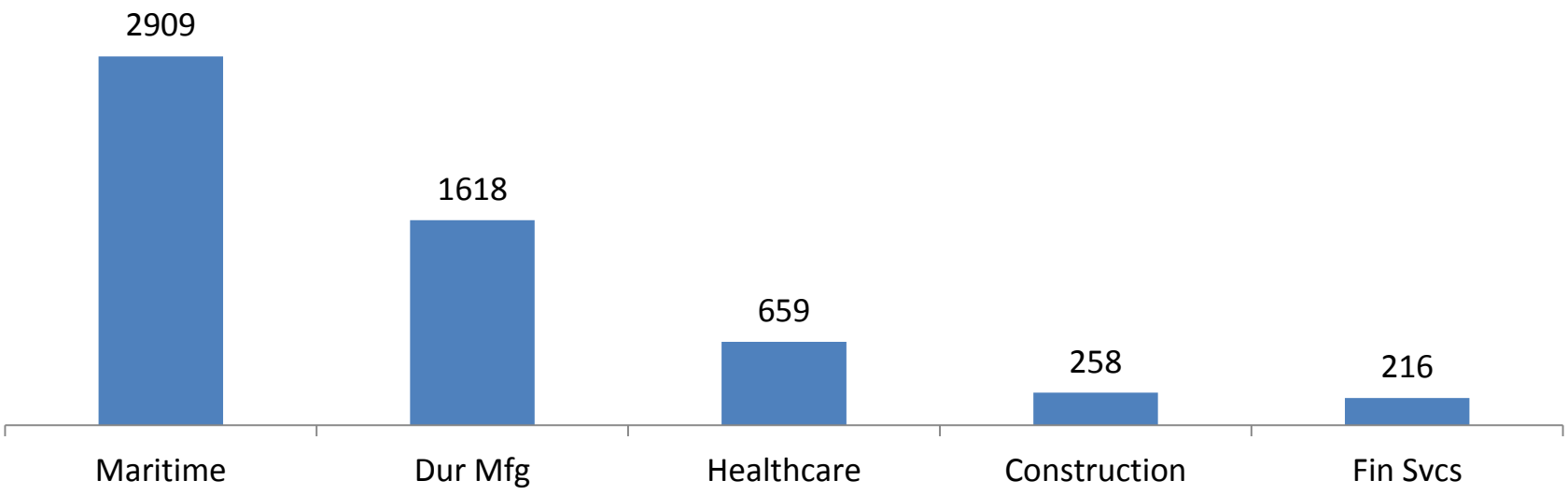
- Fleet = fishermen and boat support services (yards, ice, etc)

Gloucester maritime economy represents roughly 1/3 of all jobs in the city.

- Gloucester has a total employment base of approximately 10,000 jobs*

Gloucester Employment by Key Industries & North Shore Critical Industries
Adjusted ES202
2012

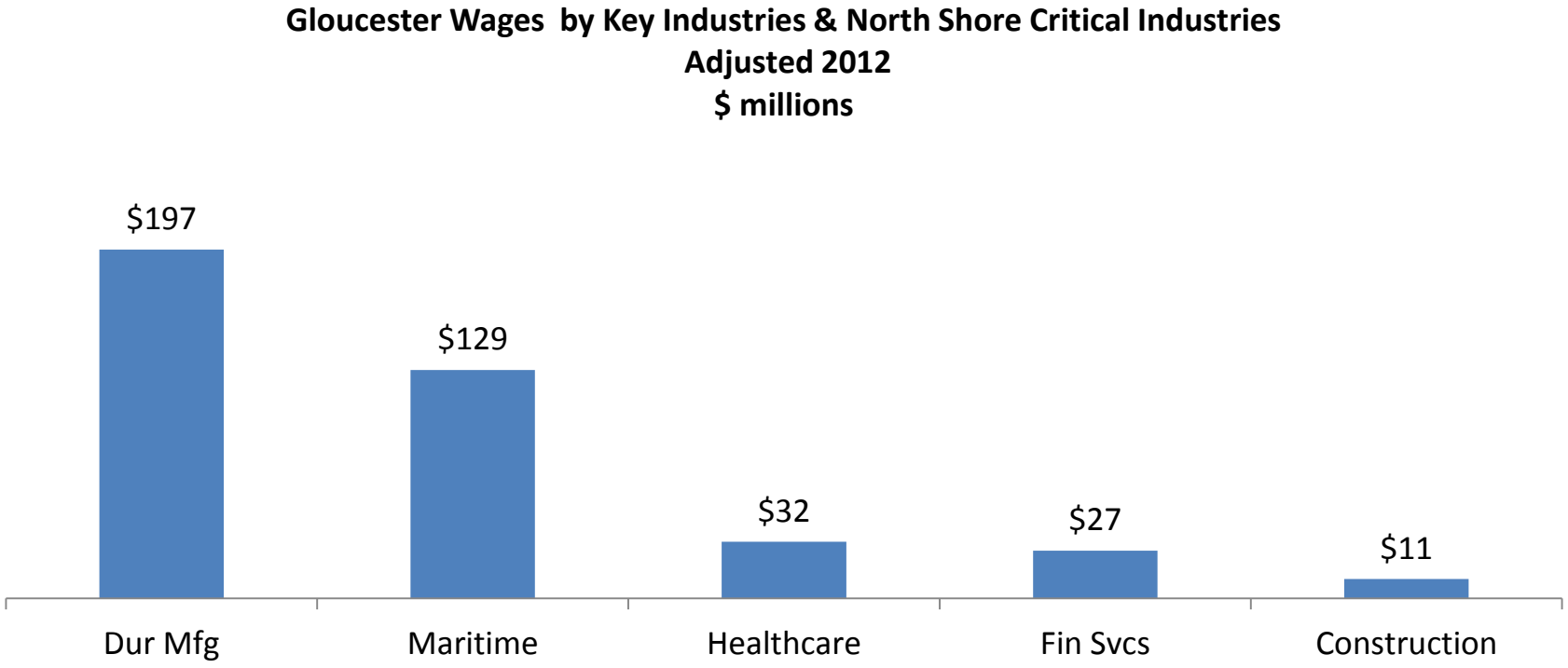


* ES 202 data shows 9581 plus the adjustment made for fishermen increases employment data to 10142

Source: NP calculations from MASS LMI data

Gloucester maritime economy represents approximately 21% of the total wage base of the city.

- Gloucester has a total wage base of approximately $609 million



Source: NP calculations from MASS LMI data

Additional Observations

- There are several thriving businesses along the waterfront that have pursued either new markets, new products, new production materials or new approaches to their core businesses – diversifying themselves away from dependence on the Fleet
- There are several businesses because of the nature of their physical infrastructure and business model, are tied to the level of activity of the fleet (volume of fish or number of trips) and are struggling
  - Business model changes are harder for these operations
  - Real estate reuse (other industrial, residential, hotel/restaurant, research, office) may be their only viable option
- Maintaining the present diversity of fleet support providers requires a critical mass of activity from the fleet – or it will need to restructure to survive
- Tourism is important and …
  - The Harbor and downtown Gloucester retail and restaurants are predominately local which means they are also business owners
- There is a growing, but still small marine research core in Gloucester
- There is a substantial level of interest in finding new opportunities – new markets – new applications – there is a limited local support capacity to help businesses with these ideas

Creating a technology or leading innovation is not the same thing as capturing its economic value.

- Some friendly reminders

The first practical automobile invented in Springfield MA

The first practical web browser – National Supercomputing Applications Center – Champaign Ill

How and where it disseminates into the local and regional economy is one of the great challenges of innovation-based strategies

So What ?

We are at the beginning, not the end – there are many things to consider to create a Harbor Plan that is realistic and protective of the core values of the community

Representative questions to consider

- The harbor is layered, surrounded by a classic harbor/hill relationship that creates value to other areas of the city – should we think about view corridor protection?
- What is the development potential along the harbor when consideration is given to setbacks, flood & storm surge mitigation, parking, and public access?
- Does the wastewater system (pipes and treatment) have capacity for a substantial increase in demand – regardless of the form (industrial or commercial)?
- As the industrial waterfront continues its separation from the harbor as a source of logistics, how do we think about transportation and truck movements around the harbor?
- What is the right balance between supporting additional tourism and yet staying a year round community?
- How important is increasing tourism to help maintain and support several of the city's key cultural and historic institutions?
- What is the tipping point of critical mass to support a diverse number of shore-side fleet support services?
- How can Gloucester increase its access to new technologies, processes, and product ideas to support the innovation needs of its Fleet and seafood industry?
- Is it really either/or? Can we find models that create win/wins for the 4 major sectors of the Gloucester marine economy?

Q&A Ground Rules

- One comment per person until everyone has been heard
- I'll identify the next speaker (to help make sure everyone who wants to speak gets heard.
- Please wait until you are handed the microphone before you start speaking (Greg has the microphone!)
- Please clearly state your name and address.